CHARLTON COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia

CHARLTON COUNTY, GEORGIA

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Charlton County, Georgia
Financial Statements
For the Year Ended December 31, 2013

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Introductory Section

CHARLTON COUNTY OFFICIALS

CHAIRMAN
Wade E. Johnson

Vice Chairman
Alphya Benefield

COMMISSIONERS
James E. Everett
Jesse Crews
John Meyer

COUNTY ADMINISTRATOR
Al Crace

COUNTY CLERK
Jenifer Nobles

AP/PR/HR Finance Clerk
Rebecca Brown

CONSTITUTIONAL OFFICERS
Clerk of Court - Wendy C. Whitaker
Probate/Magistrate Judge - Robert F. Phillips
Sheriff - Ernest Conner
Tax Commissioner - Debra Mizell

NON-CONSTITUTIONAL OFFICER
County Attorney - Edmund Skorupski
CPA - Don Crews
Chief Appraiser - Elaine Todd

DEPARTMENT HEADS
Public Works & Recreation Director - Richard Brown
Road Superintendent - Jed Knowles
EMS & EMA - Bruce Young
Fire Marshal & Code Enforcement - Mikell Weaver
Fire Chief - Terry Johnson

FINANCIAL SECTION

The financial section includes the independent auditor's report on the financial statement audit, the MD&A which provides a narrative introduction, overview and analysis of the financial statements, the basic financial statements including notes.

Independent Auditor's Report

Earl A. Lawson CERTIFIED PUBLIC ACCOUNTANT

POST OFFICE DRAWER 942
112 N. CENTRAL AVENUE
BLACKSHEAR, GA 31516-0942
TELEPHONE: 912-449-5485
FAX: 912-449-1529

INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
Charlton County, Georgia

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Charlton County, Georgia, as of and for the year ended December 31, 2013, and the related notes which collectively comprise the County's basic financial statements as listed in the table of contents.

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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the Charlton County Health Department, which represent 2.07 percent, 2.07 percent, and 1.7 percent, respectively, of the assets, net position, and revenues of Charlton County, Georgia. Those statements were audited by other auditors whose report has been furnished to me, and my position, insofar as it relates to the amounts included for Charlton County Health Department, is based solely on the report of the other auditors. I conduced my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Charlton County, Georgia, as of December 31, 2013, 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.

MEMBER:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

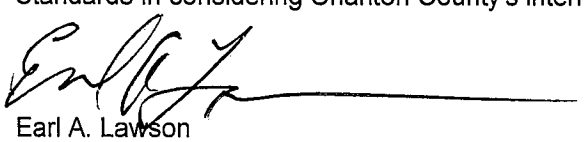
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information on pages 10-18 and 64-81 be presented to supplement the financial statements. Such information, although not a part of the basis financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I and the other auditors 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquires, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Charlton County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The management's discussion and analysis, and budgetary comparison 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 my opinion, based on my audit, the procedures performed as described above, and the report of other auditors, the Management's Discussion and Analysis and budgetary comparison information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

The management's discussion and analysis, and budgetary comparison information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 2, 2014 on my consideration of Charlton County, Georgia's internal controls over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of my 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 Charlton County's internal control over financial reporting.



Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia
June 2, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the basic financial statements prepared by the County.

Management's Discussion and Analysis

Within this section of Charlton County, Georgia (County) annual financial report, the County's management provides narrative discussion and analysis of the financial activities of the County for the year ended December 31, 2013. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the County's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

FINANCIAL HIGHLIGHTS

The County's total assets exceeded its total liabilities by $17,553,149 (net position) for the year reported. This compares to the previous year when the total assets exceeded the total liabilities by $16,506,369

Total net position are comprised of the following:

1. Capital assets, net of related debt, of $12,563,027 include property and equipment, net of accumulated depreciation, and reduced by outstanding debt related to the purchase and construction of capital assets.
2. Net position of $2,172,864 are restricted by constraints imposed upon the County by laws and regulations.
3. Unrestricted net position of $2,817,258 represent the portion available to maintain the County's continuing obligations to citizens and creditors.

The County's governmental funds reported total ending fund balance of $4,742,741 this year. This compares to the prior year ending fund balance, of $4,543,795 showing an increase of $198,946 during the current year.

At the end of the current year, unreserved fund balance for the General Fund was $2,566,939, or 25.3% of total General Fund expenditures.

Overall, Charlton County, Georgia, continues to maintain a strong financial position, in spite of a somewhat depressed economy.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 20 - 21 provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 22. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Overview to the Financial Statements

Management's Discussion and Analysis introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The County also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The County's annual report includes two government- wide financial statements. These statements provide both long-term and short-term information about the County's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the County-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification to the taxpayer base or the condition of County infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the County's net assets changed during the current year. All current year revenues and expenses are included *regardless of when cash is received or paid. An important purpose of the design of the statement* of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and community development. The County's fiduciary activities simply holds resources temporarily for others and are not included in the government-wide statements since these assets are not available to fund County programs.

The County's financial reporting includes the funds of the County (primary government) and, additionally, organizations for which the County is accountable (component units). These component units operate independently and provide services directly to the citizens, though the County remains accountable for their activities. These component units are governed by a board of directors that the County Commission has appointed. The County Health Department, are reported separately from the primary government though included in the County's overall reporting entity.

The Government-wide financial statements are presented on pages 20 - 21 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The County has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus Is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the required supplementary information for the general fund. Budgetary comparison schedules for special revenue funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the County's adopted and final revised budget.

Fiduciary funds (i.e., the agency funds) are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund County programs. Fiduciary fund financial statements report similarly to proprietary funds.

The basic fiduciary fund financial statement is presented on page 29 of this report.

Notes to the basic financial statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are on pages 30 - 61 of this report.

Other information

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report on pages 68 - 77.

Financial Analysis of the County as a Whole

The County's combined net positon were $17,553,149 of December 31, 2013. This is a $1,1046,780 increase from last year's nets position of $16,506,369.. The following table provides a a summary of the County's net position:

Summary of Net Position

	Governmental Activities		Total		Percentage of Total	
Assets:	2013	2012	2013	2012	2013	2012
Current and other assets	$ 5,568,051	$ 4,874,140	$ 5,568,051	$ 4,874,140	28.22%	27.37%
Capital assets	14,160,361	12,933,241	14,160,361	12,933,241	71.78%	72.63%
Total assets	19,728,412	17,807,381	19,728,412	17,807,381	100.00%	100.00%
Liabilities:						
Current liabilities	776,381	247,519	776,381	247,519	35.69%	19.03%
Long-term liabilities	1,398,882	1,053,493	1,398,882	1,053,493	64.31%	80.97%
Total liabilities	2,175,263	1,301,012	2,175,263	1,301,012	100.00%	100.00%
Net position:						
Net investment in capital assets	12,563,027	11,753,512	12,563,027	11,753,512	71.57%	71.21%
Restricted	2,172,864	2,458,159	2,172,864	2,458,159	12.38%	14.89%
Unrestricted (deficit)	2,817,258	2,294,698	2,817,258	2,294,698	16.05%	13.90%
Total net position	$ 17,553,149	$ 16,506,369	$ 17,553,149	$ 16,506,369	100%	100.00%

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 7.17 to 1. This ratio is strong.

Note that approximately 71.7% of the governmental activities' net position are tied up in capital (with 16.25% of the capital assets being infrastructure). The County uses these capital assets to provide services to its citizens.

The County reported positive balances in net position for governmental activities. Net position increased $1,046,780 for governmental activities.

Summary of Statement of Activities

	Governmental Activities		Total		Percentage of Total	
Revenues:	2013	2012	2013	2012	2013	2012
Program Revenues						
Charges for services	$ 2,371,003	$ 1,767,473	$ 2,371,003	$ 1,767,473	20.96%	20.48%
Operating grants	501,137	716,115	501,137	716,115	4.43%	8.30%
Capital grants	219,163	141,528	219,163	141,528	1.94%	1.64%
General Revenues						
Property taxes	5,867,508	3,428,640	5,867,508	3,428,640	51.88%	39.73%
Other taxes	2,158,736	2,372,318	2,158,736	2,372,318	19.09%	27.49%
Grants and entitlements	-	-	-	-	0.00%	0.00%
Other Revenues	191,994	203,313	191,994	203,313	1.70%	2.36%
Total Revenues	$ 11,309,541	$ 8,629,387	$ 11,309,541	$ 8,629,387	100%	100%
Expenses						
General government	1,473,882	1,780,053	1,473,882	1,780,053	14.36%	15.57%
Judicial	926,091	972,139	926,091	972,139	9.02%	8.51%
Public safety	4,480,270	3,210,389	4,480,270	3,210,389	43.66%	28.09%
Public works	2,500,967	2,697,361	2,500,967	2,697,361	24.37%	23.60%
Health and welfare	183,187	2,204,208	183,187	2,204,208	1.78%	19.29%
Culture and recreation	647,317	517,346	647,317	517,346	6.31%	4.53%
Community development	-	-	-	-	0.00%	0.00%
Interest	51,047	47,537	51,047	47,537	0.50%	0.42%
Total expense	10,262,761	11,429,033	10,262,761	11,429,033	100%	100%
Excess (deficiency)	1,046,780	(2,799,646)	1,046,780	(2,799,646)		
Gain on sale of capital assets	-	-	-	-		
Change in net position	1,046,780	(2,799,646)	1,046,780	(2,799,646)		
Beginning net position	16,506,369	19,306,015	16,506,369	19,306,015		
Ending net position	$ 17,553,149	$ 16,506,369	$ 17,553,149	$ 16,506,369		

Financial Analysis of the County's Funds

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The governmental funds reported ending fund balances of $4,742,741 of this year-end total, $2,566,939 is unreserved indicating availability for continuing County service requirements.

General Fund Budgetary Highlights

The original budget adopted anticipated a $0.00 decrease in its fund balance. The budget was subsequently revised to reflect a decrease in its fund balance of $0.00. The actual fund balance increase was $571,784.

Capital Asset and Debt Administration

Capital assets

The County's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2013, was $14,160,361

	Capital Assets (Net of Accumulated Depreciation)					
	Governmental Activities		Total		Percentage of Total	
	2013	2012	2013	2012	2013	2012
Non-depreciable assets:						
Land	$ 550,000	$ 550,000	$ 550,000	$ 550,000	100.00%	100.00%
Construction in progress	-	-	-	-	0.00%	0.00%
Total non-depreciable	550,000	550,000	550,000	550,000	100.00%	100.00%
Depreciable assets:						
Buildings	8,498,835	8,078,923	8,498,835	8,078,923	39.44%	41.46%
Machinery and equipment	8,844,009	7,655,138	8,844,009	7,655,138	41.05%	39.29%
Infrastructure	4,203,760	3,750,878	4,203,760	3,750,878	19.25%	18.95%
Total depreciable assets	21,546,604	19,484,939	21,546,604	19,484,939	99.74%	99.70%
Total Capital Assets	22,096,604	20,034,939	22,096,604	20,034,939		
Less accumulated depreciation	(7,936,243)	(7,101,698)	(7,936,243)	(7,101,698)		
Book value - depreciable assets	$ 14,160,361	$ 12,933,241	$ 14,160,361	$ 12,933,241		

See Note 3-D for addition information about the County's capital assets on page 47.

Long-term debt

At the end of the year, the County had total debt outstanding of $1,616,301. This total amount is supported by pledged revenues generated primarily by the County's Governmental Activities, and real and personal property.
The County's other long-term debt relates to capital leases and compensated absences.

	Outstanding Debt					
	Governmental Activities		Total		Percentage of Total	
	2013	2012	2013	2012	2013	2012
Notes outstanding	$ 1,502,968	$ 978,419	$ 1,502,968	$ 978,419	92.99%	81.88%
Capital leases	94,366	201,310	94,366	201,310	5.84%	16.85%
Compensated absences	18,967	15,172	18,967	15,172	1.17%	1.27%
Total	$ 1,616,301	$ 1,194,901	$ 1,616,301	$ 1,194,901	100.00%	100.00%

See Note 3-G for additional information about the county's long-term debt on pages 52 -54.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Sales taxes revenues decreased in 2013 and sales tax revenues during the first five months of 2014 has decreased slightly over the same five months of 2013.

Charlton County will continue to update its capital assets during the year ended December 31, 2013.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulation, and demonstrate the County's commitment of public accountability. If you have questions about this report or would like to request additional information, contact:

Charlton County Board of Commissioners
100 South 3rd St.
Folkston, Georgia 31537
Telephone: (912) 496-2549

Basic Financial Statements

The basic financial statements include the government-wide statement of net position and government-wide statement of activities which include all of the primary government's governmental activities . In addition, the basic financial statements include the fund financial statements and the notes to the financial statements.

Charlton County, Georgia
Statement of Net Position
December 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Current Assets:				
Cash	$ 3,299,935	$ -	$ 3,299,935	$ 311,954
Investments	-	-	-	-
Accounts Receivable	9,422	-	9,422	-
Taxes Receivable	1,402,762	-	1,402,762	-
Due from Other Governments	834,157	-	834,157	50,557
Fines Receivable	21,775	-	21,775	-
Internal Balances	-	-	-	-
Interest receivable	-	-	-	-
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Noncurrent Assets				
Capital Assets				
Non depreciable Capital Assets	550,000	-	550,000	-
Depreciable Capital Assets, Net	13,610,361	-	13,610,361	4,835
Deferred Charges	-	-	-	-
Total Assets	19,728,412	-	19,728,412	367,346
Liabilities and Net Position:				
Liabilities:				
Current Liabilities:				
Accounts Payable	52,292	-	52,292	-
Accrued Expenses	3,279	-	3,279	-
Deferred Revenues	484,795	-	484,795	-
Due to Other Governments	-	-	-	-
Accrued Interest	6,725	-	6,725	-
Compensated Absences Payable	-	-	-	12,424
Capital Leases Payable	30,469	-	30,469	-
Notes Payable	198,821	-	198,821	-
Other Liabilities	-	-	-	-
Liabilities Payable From Restricted Assets	-	-	-	-
Long-Term Liabilities:				
Compensated Absences Payable (net of current portion)	18,967	-	18,967	12,425
Net Pension Obligation	11,871	-	11,871	-
Capital Leases Payable (net of current portion)	-	-	-	-
Notes Payable (net of current portion)	1,368,044	-	1,368,044	-
Total Liabilities	2,175,263	-	2,175,263	24,849
Net Position				
Net Investment in Capital Assets	12,563,027	-	12,563,027	4,835
Restricted for :				
Capital Projects	2,172,864	-	2,172,864	-
Prior Year Program Income	-	-	-	116,942
Special Programs	-	-	-	-
Unrestricted	2,817,258	-	2,817,258	220,720
Total Net Position	$ 17,553,149	$ -	$ 17,553,149	$ 342,497

See accompanying notes to the basic financial statements.

Charlton County, Georgia
Statement of Activities
For the Year Ended December 31, 2013

		Program Revenues			Primary Government			
	Expenses	Charges for Services & Sales & Fines	Operating Grants, Contributions and Interest	Capital Grants & Contributions	Govern-mental Activities	Business Type Activities	Total	Component Units
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	$ 1,473,882	$ 445,016	$ -	$ 15,300	$ (1,013,566)	$ -	$ (1,013,566)	$ -
Judicial	926,091	166,581	-	-	(759,510)	-	(759,510)	-
Public Safety	4,480,270	764,835	38,657	47,255	(3,629,523)	-	(3,629,523)	-
Public Works	2,500,967	961,650	-	156,608	(1,382,709)	-	(1,382,709)	-
Health and Welfare	183,187	-	37,417	-	(145,770)	-	(145,770)	-
Culture and Recreation	647,317	32,921	425,063	-	(189,333)	-	(189,333)	-
Community Development	-	-	-	-	-	-	-	-
Interest	51,047	-	-	-	(51,047)	-	(51,047)	-
Total Governmental Activities	10,262,761	2,371,003	501,137	219,163	(7,171,458)	-	(7,171,458)	-
Business-Type Activities:								
Other Enterprise Funds	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-	-
Total - Primary Government	$ 10,262,761	$ 2,371,003	$ 501,137	$ 219,163	$ (7,171,458)	$ -	$ (7,171,458)	$ -
Component Units								
Charlton County Health Department	515,725	117,436	396,434	-	-	-	-	(1,855)
Total - Component Units	$ 515,725	$ 117,436	$ 396,434	$ -	$ -	$ -	$ -	$ (1,855)
		GENERAL REVENUES:						
		Taxes						
		Property			$ 5,867,508	$ -	$ 5,867,508	$ -
		Sales			1,793,434	-	1,793,434	-
		Other taxes			365,302	-	365,302	-
		Gain on Sale of Capital Assets			-	-	-	-
		Interest Earned			191,994	-	191,994	-
		Other			-	-	-	-
		Total General Revenues			8,218,238	-	8,218,238	-
		Transfers			-	-	-	-
		Total General Revenues and Transfers			8,218,238	-	8,218,238	-
		Change in Net Position			1,046,780	-	1,046,780	(1,855)
		NET POSITION BEGINNING OF YEAR -			16,506,369		16,506,369	344,352
		NET POSITION END OF YEAR			$ 17,553,149	$ -	$ 17,553,149	$ 342,497

See accompanying notes to the basic financial statements.

Charlton County, Georgia
Balance Sheet
Governmental Funds
December 31, 2013

	General	Capital Project Funds: Jail SPLOST	Capital Project Funds: 2008 SPLOST	Capital Project Funds: CDBG 13p-y-024 1-5609	Other Gov't Funds	Total Gov't Funds
Assets:						
Cash	$ 1,396,639	$ 526,008	$ 1,363,981	$ 10,369	$ 2,938	$ 3,299,935
Receivables, (net, where applicable of allowance for uncollectible.)						
Taxes	1,402,762	-	-	-	-	1,402,762
Fines	21,775	-	-	-	-	21,775
Intergovernmental	75,912	-	273,450	484,795	-	834,157
Accounts	9,422	-	-	-	-	9,422
Interest receivable	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
Prepaids	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Assets	$ 2,906,510	$ 526,008	$ 1,637,431	$ 495,164	$ 2,938	$ 5,568,051
Liabilities:						
Accounts Payable	$ 52,292	-	-	$ -	$ -	$ 52,292
Accrued Expenditures	3,279	-	-	-	-	3,279
Due to Other Funds	-	-	-	-	-	-
Payable to Other Governments	-	-	-	-	-	-
Deferred Revenue	193,798	-	91,146	484,795	-	769,739
Total Liabilities	249,369	-	91,146	484,795	-	825,310

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Balance Sheet
Governmental Funds
December 31, 2013

	General	Capital Project Funds: Jail SPLOST	Capital Project Funds: 2008 SPLOST	Capital Project Funds: CDBG 13p-y-024 1-5609	Other Gov't Funds	Total Gov't Funds
Fund Balances						
Nonspendable:						
Prepaids	-	-	-	-	-	-
Restricted:						
Capital Projects	-	526,008	1,546,285	10,369	-	2,082,662
Public Safety	90,202	-	-	-		90,202
Committed	-	-	-	-	-	-
Assigned:						
Recreation					2,938	2,938
Unassigned:	2,566,939	-	-	-	-	2,566,939
Total Fund Balances	2,657,141	526,008	1,546,285	10,369	2,938	4,742,741
Total Liabilities and Fund Balances	$ 2,906,510	$ 526,008	$ 1,637,431	$ 495,164	$ 2,938	$ 5,568,051

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Reconciliation of Total Governmental Fund Balances to Net Positions of Governmental Activities
For The Year Ended December 31, 2013

Total Governmental Fund Balances			$ 4,742,741
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.			
	Cost	22,096,604	
	Less accumulated depreciation	(7,936,243)	14,160,361
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds .			
	Property taxes	120,990	
	Sales taxes	58,440	
	Fines	14,368	
	Intergovernmental	91,146	284,944
Liabilities, included notes and capital leases are not due and payable in the funds.			
	Note payable	(1,566,865)	
	Accrued interest	(6,725)	
	Capital leases	(30,469)	
	Net pension obligations	(11,871)	
	Compensated absences	(18,967)	
			(1,634,897)
Net Position of Governmental Activities			$ 17,553,149

See Accompanying Notes to the Basic Financial Statements

Charlton County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For The Year Ended December 31, 2013

Revenues:	General	Capital Project Funds: Jail SPLOST	Capital Project Funds: 2008 SPLOST	Capital Project Funds: CDBG 13p-y-024-1 5609	Other Gov't Funds	Total Gov't Funds
Taxes	$ 6,920,287	$ -	$ 1,090,847	$ -	$ -	$ 8,011,134
Fees and Fines	311,189	-	-	-	-	311,189
Licenses and Permits	65,500	-	-	-	-	65,500
Intergovernmental	556,958	-	-	15,205	-	572,163
Charges for Services	1,976,614	-	-	-	20,485	1,997,099
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Recreation	-	-	-	-		-
Interest Earnings	190,500	1,494	-	-	-	191,994
Other Revenue	97,966	-	50,171	-	-	148,137
Total Revenues	10,119,014	1,494	1,141,018	15,205	20,485	11,297,216
EXPENDITURES:						
Current:						
General Government	1,515,844	-	-	-	-	1,515,844
Judicial	729,990	-	-	-	-	729,990
Public Safety	4,621,950	-	-	-	-	4,621,950
Public Works	2,271,820	-	-	-	-	2,271,820
Health and Welfare	158,932	-	-	-	-	158,932
Culture and Recreation	727,012	-	-	-	17,826	744,838
Community Development	-	-	-	-	-	-

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For The Year Ended December 31, 2013

		Capital Project Funds				
	General	Jail SPLOST	2008 SPLOST	CDBG 13p-y-024-1 5609	Other Gov't Funds	Total Gov't Funds
Capital Outlay:						
General Government	-	-	-		-	-
Judicial	-	-	96,200		-	96,200
Public Safety	-	97,854	77,487		-	175,341
Public Works	-	-	1,077,546	4,836	201	1,082,583
Health and Welfare	-	-	-	-	-	-
Culture and Recreation	-	-	66,657	-	-	66,657
Community Development	-	-	-	-	-	-
Debt Service:						
Principal	75,451	-	106,944	-	-	182,395
Interest and Other Charges	46,231	-	5,489	-	-	51,720
Total Expenditures	10,147,230	97,854	1,430,323	4,836	18,027	11,698,270
Excess of Revenues Over (Under) Expenditures	(28,216)	(96,360)	(289,305)	10,369	2,458	(401,054)

Charlton County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For The Year Ended December 31, 2013

	General	Capital Project Funds: Jail SPLOST	Capital Project Funds: 2008 SPLOST	Capital Project Funds:	Other Gov't Funds	Total Gov't Funds
Other Financing Sources (Uses):						
Inception of Notes	600,000	-	-	-	-	600,000
Inception of leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	600,000	-	-	-	-	600,000
Net Change in Fund Balances	571,784	(96,360)	(289,305)	10,369	2,458	198,946
Fund Balance Beginning of Year	2,085,357	622,368	1,835,590	-	480	4,543,795
Fund Balances - End of Year	$ 2,657,141	$ 526,008	$ 1,546,285	$ 10,369	$ 2,938	$ 4,742,741

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended December 31, 2013

Net Changes in Fund Balances - Total Governmental Funds		$ 198,946
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay	2,211,741	
Depreciation expense	(984,621)	1,227,120
In the statement of activities, only the gain or loss on the sale or trade in of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold:		
Cost of assets traded	150,076	
Less: Accumulated Depreciation	(150,076)	
Net book value of assets traded		-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Grants	-	
Taxes	110,986	
Sales taxes	(95,876)	
Fines	(2,785)	
		12,325
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. The issuance of long term debt increases long term liabilities and the repayment of long term debt reduces long term liabilities in the statement of net position.		
Accrued Interest	673	
Issuance of capital lease	-	
Issuance of Note Payable	(600,000)	
Repayment of long term debt	182,395	
		(416,932)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(3,795)	
Net Pension Obligation	29,116	25,321
Change in Net Position of Governmental Activities		$ 1,046,780

See Accompanying Notes to the Basic Financial Statements

Charlton County, Georgia
Comparative Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2013 and 2012

	December 31	
	2013	2012
Assets:		
Cash	$ 191,614	$ 115,249
Accounts receivable	-	-
Total Assets	$ 191,614	$ 115,249
Liabilities:		
Due to other governments and individuals	191,614	115,249
Total Liabilities	$ 191,614	$ 115,249

See accompanying notes to the basic financial statements

NOTES TO THE FINANCIAL STATEMENTS

The Notes to the financial Statements are a required component of the basic financial statements of the County. The notes present required and essential information for the fair presentation of the statements that have not been disclosed on the face of the financial statements.

Charlton County, Georgia
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Charlton County, Georgia (the County), was incorporated under the laws of the State of Georgia. The County operates under a Commissioner- Chairman form of government. The County is governed by a board of five commissioners elected by the voters of the County.

Note 1- Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. For its enterprise funds, the County applies any FASB statements and interpretations issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For Charlton County, this entity includes all departments and activities that are directly operated by the elected county officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organization that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The Component unit columns included on the government-wide financial statements identifies the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

Note 1- Summary of Significant Accounting Policies (Continued)

Brief descriptions of the discretely presented component units follow:

Charlton County Health Department (Health Department)- The Health Department provides health care services and health education to residents of Charlton County. The Health Department receives financial support from Charlton County, Georgia, the State of Georgia and the Federal Government. The County Commission appoints a majority of the Board of Directors. The Health Department issued separately audited financial statements with a fiscal year ended June 30, 2013 and copies of these financial statements may be obtained from their administrative office at:

Charlton County Health Department
Folkston, Georgia 31533

Other public entities located within the County are not included in the basic financial statements include municipalities and the following independent taxing districts authorized and established by the laws of Georgia.

Charlton County Development Authority
Charlton County Board of Education
Charlton County Board of Family & Children Services
Hospital Authority of Charlton County

Any disbursements to these units by the County are based on contractual agreements, have been budgeted, and expended as part of the regular operations of the County.

The accounting policies of Charlton County, Georgia conform to generally accepted accounting principles, as applicable to governments. The following is a summary of the more significant policies.

1-B. 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 related cash 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

Note 1- Summary of Significant Accounting Policies (Continued)

1-B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service, compensated absences, and claims and judgments expenditures are recorded only when payment is due.

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

Government-wide Financial Statements- The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities which are generally supported by taxes and County general revenues, from business-type activities which are generally financed in whole or in part with fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the County and its discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

Note 1- Summary of Significant Accounting Policies (Continued)

Government-wide financial statements (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) Charges for services which report fees and other charges to users of the County's service; (2) Operating grants and contributions which finance annual operating activities including restricted investment income; and (3) Capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions,* the determining factor is to which functions the revenues are *restricted.*

Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

The underlying accounting system of the Government is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and proprietary funds. The fiduciary fund statements include financial information for the agency funds. These funds represent assets held by the Government in a custodial capacity for individuals or other governments.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Note 1- Summary of Significant Accounting Policies (Continued)

Governmental Funds:

Governmental funds are used to account for the Government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The Government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term dept which is recognized when due, and accumulated unpaid sick pay which does not vest.

Property tax revenues are considered measurable and available if they are collected during the current period or within sixty days after the end of the period. Property taxes not collected within days are recorded as receivable, however, the related revenue is deferred and recognized when subsequently collected. Sales tax revenue is considered measurable and available when collected from the customer at the time that a taxable transaction occurs. Expenditure -driven grants are recognized then the qualifying expenditures have been incurred and all other grant requirements are met.

Interest revenue and charges for services revenues, are considered measurable and available if collected during the current period or within twelve months of the end of the period. The Government has determined that fines and forfeitures, in compliance with GASB 22, *Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds*, are not deemed to be susceptible to accrual as they are not measurable until received in cash.

Governmental fund types include: The General Fund, Special Revenue Funds and Capital Project Funds

Basis of Presentation:

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section of this report.

Note 1- Summary of Significant Accounting Policies (Continued)

Major Governmental Funds:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general balance is available to the County for any new purpose, provided it is expanded or transferred according to the general laws of Georgia.

Capital Project Funds:

Special Local Option Sales Tax-To account for the revenue and expenditures of the funds collected from the Special Local Option Sales Tax. The Special Local Option Sales Tax are as follows:

Jail Special Local Option Sales Tax
2008 Special Local Option Sales Tax

CDBG Grant-To account for the revenue and expenditures of the funds collected from the CDBG Grant.

CDBG 13-p-y-024-1-5609

Fiduciary Funds - Fiduciary funds reporting focuses on net assets. The County's fiduciary funds are agency funds. These agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Constitutional officers use these funds to temporarily hold assets.

Revenues- Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transaction" means expected to be received within twelve months of year-end.

Note 1- Summary of Significant Accounting Policies (Continued)

Revenues- Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales tax, property taxes ,grants, and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sales takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 4-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue form non-exchange transaction also must be available (i.e., collected within 60 days) before it can be recognized.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents and Investments

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

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligation of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligation fully insured or guaranteed by the government of governmental agency
- Obligation of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost of market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed. Inventories of the proprietary funds are expensed when consumed.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

1-E-6 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statements of net assets and in the enterprise fund's statement of net assets.

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-6 Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise is capitalized.

Charlton County is a Phase III Government in regards to the implementation of GASB 34. Therefore, the infrastructure included in these financial statements includes the infrastructure added since the implementation of GASB-34. Infrastructure prior to the implementation of GASB-34 is not included.

All reported capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Improvements other than buildings	10-60 years	10-60 years
Buildings	40-60 years	40-60 years
Machinery and equipment	3-10 years	3-10 years
Infrastructure	40 years	40 years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the new present value of future minimum lease payments.

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-7 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

Compensated absences are paid from the General Fund of the County.

1-E-8 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligation are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only of the the extent that they are "due for payments" during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-8 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 balance 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:

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-8 Fund Equity (Continued)

Nonspendable - Fund balances are reported as nonspendable when amounts cannot be spent because that are either (a) no 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.

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 County Commissioners through the adoption of a resolution. 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 or committed. Through resolution, the Board of County Commissioners has authorized the County's manager 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.

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 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

Net Position- Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used (i.e., the amount the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net positions are reported as unrestricted .

The County applies restricted resources first when an expense is incurred for purposed for which both restricted and unrestricted net positions are available.

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-10 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

1-E-11 Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence.

1-F-12 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management of make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Note 2- Stewardship, Compliance and Accountability

2-A. Budgetary Information - Primary Governments

The County adopts an annual operating budget for the General Fund and each Special Revenue Fund. A project budget is adopted for each Capital Projects Fund. The budget resolution reflects the total of each department's appropriation in each fund.

The general fund budget is adopted on a basis consistent with GAAP except that the occurrence of capital lease obligations and the related capital lease expenditures are not budgeted. Budgets for the Special Revenue Funds are adopted on a basis consistent with GAAP. Budgets for Capital Projects funds are adopted one basis consistent with GAAP except the budget period is a project period rather than an annual period. At year-end, no capital project period exceeded the annual.

Note 2- Stewardship, Compliance and Accountability

2-A. Budgetary Information - Primary Governments (continued)

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of Commissioners.

Either the County Chairman or County Administrator may approve budget transfers within departments, except those related to personnel or capital expenditures. The Board of Commissioners must approve transfers of personnel or capital appropriations. During the year, the Board of Commissioners approved budget revisions.

All unexpended annual appropriations lapse at year-end.

2-B. Component Unit

An annual budget is adopted by the entity for the general fund as required by the grant contract. The budget is adopted on a Non-GAAP budgetary basis. The difference between the GAAP and the budgetary basis is that the encumbrances are treated as expenditures and prior year fund balances are shown as current year revenues. The budget can be modified by management at all levels based on the needs of the programs within the limitations of the grant contract specifications and approval by the granting agency.

3-A. Deposits and Investments

Following is a reconciliation of the County's deposit and investment balances as of December 31, 2013:

The bank balance for the reporting entity totaling $3,491,549 includes $2,172,864 classified as Restricted Assets.

Cash & Investment reconciliation:

	Cash
Fund Reporting Level:	
Governmental Funds - Balance Sheet	$ 3,299,935
Statement of fiduciary Assets and Liabilities	191,614
Total	$ 3,491,549

Any bank deposit in excess of the total of the FDIC insured amount must be secured by an equivalent of 110% of State or U.S. Obligations.

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at December 31, 2013, consisted of taxes, interest, accounts, and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

Receivables at December 31, 2013, consist of the following:

Primary Government

	Fines	Taxes	Accounts	Due from Other Governments	Net Receivables
General Fund	$ 21,775	$ 1,402,762	$ 9,422	$ 75,912	$ 1,509,871
Other Governmental Funds	-	-	-	758,245	758,245
Agency Funds	-	-	-	-	-
Total Primary Government	$ 21,775	$ 1,402,762	$ 9,422	$ 834,157	$ 2,268,116
Component Units					
Charlton Co. Health Department	-	-	-	50,557	50,557
Total Component Units	-	-	-	50,557	50,557
Total Reporting Entity	$ 21,775	$ 1,402,762	$ 9,422	$ 884,714	$ 2,318,673

Note 3 - Detailed Notes on All Funds (Continued)

Amounts due from other governments include the following:

Primary Government:	
General Fund	
Georgia Department of Revenue	$ 75,912
Total General Fund	$ 75,912
Capital Project Funds	
Georgia Department of Revenue	$ 273,450
Georgia Department of Community Affairs	484,795
Total Special Revenue	758,245
Total Primary Government	$ 834,157
Component Unit:	
General Fund	
Department of Human Resources	$ 50,557
Local Funds	-
Total Component Unit	$ 50,557

3-C. Property Taxes

The Board of Commissioners levies property taxes by or about August 25th of each year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about September 15th of each year and are payable within sixty days. The county bills and collects its own property taxes and also collects property taxes for the Charlton County Board of Education, and the state of Georgia. Collection of the County's taxes, and for the other government agencies, is the responsibility of the Tax Commissioner's Office, which is accounted for as an Agency Fund. County property tax revenue at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For 2013, property taxes were levied on October 14, 2013, and were due on December 14, 2013.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance 01/01/13	Additions	Deductions	Balance 12/31/2013
Governmental activities:				
Capital asset not being depreciated:				
Land	$ 550,000	$ -	$ -	$ 550,000
Construction in progress	-	-	-	-
Total capital assets not being depreciated	550,000	-	-	550,000
Other capital assets:				
Buildings	8,078,923	419,912	-	8,498,835
Machinery and equipment	7,655,138	1,338,947	150,076	8,844,009
Infrastructure	3,750,878	452,882	-	4,203,760
Total depreciable capital assets	19,484,939	2,211,741	150,076	21,546,604
Total Capital Assets	20,034,939	2,211,741	150,076	22,096,604
Accumulated depreciation:				
Buildings	1,313,528	315,302	-	1,628,830
Machinery and equipment	5,332,694	586,000	150,076	5,768,618
Infrastructure	455,476	83,319	-	538,795
Total accumulated depreciation	7,101,698	984,621	150,076	7,936,243
Governmental activities capital assets, net	$ 12,933,241	$ 1,227,120	$ -	$ 14,160,361

Governmental activities depreciation expense

	2013
General government	$ 5,205
Judicial	196,101
Public safety	242,620
Public works	470,761
Health and welfare	24,255
Culture and recreation	45,679
Total governmental activities depreciation expense	$ 984,621

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (Continued)

	Balance 01/01/13	Additions	Deductions	Balance 12/31/2013
Business type activities:				
Capital asset not being depreciated:				
Land	$ -	$ -	$ -	$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Other capital assets:				
Buildings	-	-	-	-
Machinery and equipment	-	-	-	-
Infrastructure	-	-	-	-
Total other capital assets	-	-	-	-
Accumulated depreciation:				
Buildings	-	-	-	-
Machinery and equipment	-	-	-	-
Infrastructure	-	-	-	-
Total accumulated depreciation	-	-	-	-
Business type activities capital assets, net	$ -	$ -	$ -	$ -

Business type activities depreciation expense

	2013
Business type activities	$ -
Total Business type activities depreciation expense	$ -

Note 3 - Detailed Notes on All Funds (Continued)

Component Unit

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

	Balance 07/01/12	Additions	Reductions	Balance 06/30/13
Primary Government				
Governmental activities:				
Depreciable capital assets:				
Equipment	$ 58,287	$ -	$ -	$ 58,287
Total depreciable capital assets	58,287	-	-	58,287
Less accumulated depreciation for:				
Equipment	51,416	2,036	-	53,452
Total accumulated depreciation	51,416	2,036	-	53,452
Total depreciable capital assets, net	$ 6,871	$ (2,036)	$ -	$ 4,835

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Interfund Balances and Transfers

Interfund balances at December 31, 2013, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

	Payable from:			
Payable to:	General fund	Major Governmental funds	Fiduciary funds	Total
General fund	$ -	$ -	$ -	$ -
Major governmental funds	-	-	-	-
Fiduciary funds	-	-	-	-
Total	$ -	$ -	$ -	$ -

Interfund transfers for the year ended December 31, 2013, consisted of the following:

Fund Transferred To:	Fund Transferred From:	Amount	Purpose

There were no transfers during the year ended December 31, 2013

Transfers are used to report revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund which it was originally provided once a project is completed.

All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Compensated Absences - Primary Government

Employees earn sick leave after 3 months of service at a rate of 5 days per year. The maximum accumulation is 45 days. Employees are not entitled to any payment for accrued but unused sick leave at termination.

Employees earn annual leave as follows:

Year of Service	Annual Leave
1 year	5 days
3 years	10 days
10 years	15 days

The maximum accumulation is 45 days. There is no requirement that annual leave be taken annually. At termination employees are paid for any accumulated annual leave.

3-F-1 Component Unit

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees up to a maximum of 360 hours.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

3-F-2 Short Term Debt

There was no short term debt issued during the year ended December 31, 2013.

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt

Primary Government Capital Leases--The County has entered into capital leases for various pieces of equipment. These leases meet the criteria of a capital lease since they transfer benefits and risks of ownership to the lessees at the end of the lease term. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting levels. The equipment acquired by the leases is included in governmental activities general capital assets in the amount of $420,219 (cost of $1,620,825 less accumulated depreciation of $1,170,606). The outstanding balance of the corresponding liabilities is included in governmental activities general long term debt. Future minimum lease payments are as follows:

	Capital Leases		
Year	Principal	Interest	Total
2014	$ 30,470	$ 3,020	$ 33,490
2015	31,444	2,045	33,489
2016	32,452	1,038	33,490
2017	-	-	-
2018	-	-	-
Totals	$ 94,366	$ 6,103	$ 100,469

Changes in Long-term Debt--Changes in the County's long term obligations consisted of the following for the year ended December 31, 2013.

Primary Government:	Outstanding Balance			Outstanding Balance	Amount Due in	Amount Due in more than
Governmental Activities	Jan. 1, 2013	Additions	Deductions	Dec. 31, 2013	One Year	One Year
Capital lease	77,420	-	77,420	-	-	-
Capital lease	123,890	-	29,524	94,366	30,469	63,897
Note Payable	978,419	-	75,451	902,968	82,740	820,228
Note Payable	-	600,000	-	600,000	116,081	483,919
Total Capital Leases	1,179,729	600,000	182,395	1,597,334	229,290	1,368,044
Compensated absences	15,172	39,640	35,845	18,967	-	18,967

The general fund is used to liquate compensated absences.

Note 3 - Detailed Notes on All Funds (Continued)

On June 25, 2008, the County entered into a lease agreement with International Decision Systems, Inc. at an interest rate of 3.45% with an original amount of $120,612 with a maturity date of July 25, 2013 for the purchase of equipment. The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Dec. 31, 14	$ -	-	$ -
Dec. 31, 15	-	-	-
Dec. 31, 16	-	-	-
Dec. 31, 17	-	-	-
Dec. 31, 18	-	-	-
Totals	$ -	$ -	$ -

On August 9, 2011, the County entered into a lease agreement with Caterpillar Financial at an interest rate of 3.20% with an original amount of $152,500 with a maturity date of August 9, 2017 for the purchase of equipment. The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Aug. 09, 14	$ 30,469	$ 3,020	$ 33,489
Aug. 09, 15	31,444	2,045	33,489
Aug. 09, 16	32,453	1,038	33,491
Aug. 09, 17	-	-	-
Aug. 09, 18	-	-	-
Totals	$ 94,366	$ 6,103	$ 100,469

Note 3 - Detailed Notes on All Funds (Continued)

Note 3 - Detailed Notes on All Funds (Continued)

On November 14, 2012, the County entered into a Note with FNB South at an interest rate of 4.5% with an original amount of $978,419.00 with a maturity date of January 14, 2023. The is secured with the future revenue of the county. The note is due in one hundred and twenty (120) equal monthly installments of $10,140.18 each beginning in January, 2013.

Year Ended	Principal	Interest	Total
Dec. 31, 14	$ 82,740	$ 38,942	$ 121,682
Dec. 31, 15	86,542	35,140	121,682
Dec. 31, 16	90,517	31,165	121,682
Dec. 31, 17	94,676	27,006	121,682
Dec. 31, 18	98,835	22,847	121,682
Dec. 31,18-22	449,658	37,070	486,728
Dec. 31, 23-27	-	-	-
Totals	$ 902,968	$ 192,170	$ 608,410

On December 23, 2013, the County entered into a Note with Regions Bank at an interest rate of 1.65% with an original amount of $600,000.00 with a maturity date of December 23, 2018. The is secured with the road equipment purchased. The note is due in twenty (20) equal mothly of $31,316.31 each beginning in March 23, 2014.

Year Ended	Principal	Interest	Total
Dec. 31, 14	$ 116,081	$ 9,285	$ 125,366
Dec. 31, 15	118,008	7,358	125,366
Dec. 31, 16	119,967	5,399	125,366
Dec. 31, 17	121,959	3,407	125,366
Dec. 31, 18	123,985	1,381	125,366
Dec. 31,18-22	-	-	-
Dec. 31, 23-27	-	-	-
Totals	$ 600,000	$ 26,830	$ 626,830

Note 4 - Pension Plan - Primary Government

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Charlton County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as 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 has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided by Section 19.02 of the ACCG Plan document. The plan issues a stand alone financial report. A copy of the report can be obtained at the Charlton County Commissioners' Office.

Funding Policy: The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. Contributions are not required by active plan members.

A. Actuarial Present Value of Accumulated Plan Benefits:

Vested:	
Retirees (and other in pay status)	$ 1,166,809
Deferred Vested (former employees)	700,769
Vested Active Participants	1,270,045
Total	3,137,623
Nonvested:	61,051
Total	3,198,674
Effect of Future Salary Increases	600,308
Total Actuarial Accrued Liability	3,798,982
Net Assets Available for Benefits (including receivables	3,329,806
Net Assets in Excess of Actuarial Present Value of Accumulated Plan Benefits	131,132

Note 4 - Pension Plan - Primary Government (continued)

Annual Pension Cost:

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

Derivation of Net Pension Obligations:	2013	2012
Net Pension Obligation	12,517	20,336
Annual Pension Cost	230,049	248,407
Annual Contribution to Plan	230,630	256,226
Increase in Net Pension Obligation	(581)	(7,819)
Net Pension Obligation	11,936	12,517
Derivation of Annual Pension Cost:		
Annual Required Contribution	253,300	230,117
Interest on Net Pension Obligation	925	970
Amortization of Net Pension Obligation	(990)	(1,038)
Annual Pension Cost	253,235	230,049

Basis of Valuation

Valuation Date:	January 1, 2013
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period: *	10
Actuarial Assumptions:	
Assumed Rate of Return on Assets	7.75%
Expected Future Salary Increases	5.0%-7.5% based on age
Expected Inflation	3.00%

* Represents the estimated amortization period for all unfunded liabilities combined into one.

Note 4 - Pension Plan - Primary Government (continued)

Trend Information for the Plan

Year Ended	Annual Required Contribution	Percentage Contributed
December 31, 2013	253,300	100.0%
December 31, 2012	230,117	100.2%
December 31, 2011	248,517	103.1%
December 31, 2010	234,479	80.9%
December 31, 2009	218,249	85.8%
December 31, 2008	187,024	104.1%

Principal Actuarial Assumptions

Participant Counts	2013	2012
Retirees, Beneficiaries and Disables receiving benefits	23	24
Terminated plan participants entitles to but not yet receiving benefits	39	34
Active employees participating in the plan	54	58
Total	116	116
Covered compensation for active participants	$1,731,092	$ 1,783,786

Note 4 - Pension Plan - Primary Government (continued)

Fiscal Year Ending	Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded (AAL) (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (prior year) c	UAAL as a Percent of Covered Payroll [(b-a)/c]
Dec. 31, 13	$3,128,313		$ 3,798,982	$ 670,669	82.3%	$ 1,731,092	38.7%
Dec. 31, 12	2,781,764	*	3,632,580	850,816	76.6%	1,783,786	47.7%
Dec. 31, 11	2,599,636	*	3,545,241	945,605	73.3%	1,924,065	49.1%
Dec. 31, 10	2,411,515	*	3,286,472	874,957	73.4%	1,952,873	44.8%
Dec. 31, 09	2,260,756	*	3,032,314	771,558	74.6%	1,886,614	40.9%
Dec. 31, 08	2,082,220	*	2,752,985	670,765	75.6%	1,730,688	38.8%
Dec. 31, 07	2,037,879		2,527,350	489,471	80.6%	1,572,775	31.1%
Dec. 31, 06	1,827,249		2,272,180	444,931	80.4%	1,243,125	35.8%
Dec. 31, 05	1,642,885		2,186,675	543,790	75.1%	1,215,075	44.8%
Dec. 31, 04	1,512,124		1,916,659	404,435	78.9%	1,121,990	36.1%
Dec. 31, 03	1,378,497		1,666,391	287,894	82.7%	1,020,688	28.2%

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

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan.

Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

Note 5 - Other Notes (Continued)

5-A. Risk Management - Primary Government

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The County has joined the ACCG Interlocal Risk Management Agency (IRMA). The membership allows the County to share liability, crime, motor vehicle and property damage risks. The County is also a part of the ACCG Workers' Compensation Self Insurance Fund.

As part of these risk pools, The County is obligated to pay all contributions and assessments as prescribed by the pools. To cooperate with the pool's agents and attorneys. To follow loss reduction procedures established by the funds. 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 against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker' compensation law of Georgia. The funds are to pay all cost 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 coverage's.

5-A-1 Component Unit

Significant losses are covered by commercial insurance for all major risks. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or any previous year.

5-B. Subsequent Events

No subsequent events came to my attention that are expected to have a material effect on the County's financial statements.

Note 5 - Other Notes (Continued)

5-C. Contingent Liabilities - Primary Government

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement of the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County is not a defendant in any lawsuits at December 31, 2013. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

5-C-1 Component Unit

The Health Department participates in federal and state assisted programs subject to problem compliance audits by the grantors or their representatives. It is the Health Department's opinion that no material unrecorded liabilities will arise from audits previously performed or to be performed. Regardless, receipt of these federal and state grant revenues is not assured into the future.

5-D. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in South Georgia , is a member of the Southern Georgia Commission and is required to pay annual dues thereto. During its year ended December 31, 2013, the county paid $15,150 in such dues. Membership in an Southern RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Southern RC in Georgia, The Southern RC membership includes the chief elected official 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 an Southern RC. Separate financial statements may be obtained from:

Southern Regional Commission
3395 Harris Road
Waycross, Georgia 31503

5-D-1 Closure and Post Closure Cost

The County entered into an agreement with Chesser Island Road Landfill, Inc., to provide landfill access to the County. Chesser Island Road Landfill, Inc. has assumed all responsibility for closure and post closure expense for the county landfill. Therefore, no liability will be borne by the County and no expense is accrued in the financial statements.

Note 5 - Other Notes (Continued)

5-D-2 Unemployment Claims

The County has elected to provide for unemployment compensation claims on a "self-insured" basis. As such, any claims are processed by the Georgia Department of Labor Employment Security Agency and reimbursement is requested from the County. Based on past experience the claims made against the County have been of an insignificant amount per year. Therefore, no reserve has been set up at December 31, 2013.

Note 7 - Expenditures Over Appropriations

There is no fund that had expenditures over appropriations:

Fund	Actual Expenditures	Final Appropriations	Expenditures Over Appropriations

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

GENERAL FUND

A MAJOR FUND

The General Fund is the principal fund of the County and is used to account for all activities except those required to be accounted for in another fund.

Charlton County, Georgia
Budgetary Comparison Schedule--General Fund
For the Year Ended December 31, 2013

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
General Taxes:				
Property Taxes	$ 5,550,000	$ 5,550,000	$ 5,625,087	$ 75,087
Other Taxes	1,205,000	1,205,000	1,295,200	90,200
Licenses, Fees and Permits	71,000	71,000	65,500	(5,500)
Charges for Services	1,885,500	1,885,500	1,976,614	91,114
Fines and Forfeitures	274,500	274,500	311,189	36,689
Interest	200,000	200,000	190,500	(9,500)
Intergovernmental	565,805	565,805	556,958	(8,847)
Other Revenue	35,180	35,180	97,966	62,786
Total Revenue	9,786,985	9,786,985	10,119,014	332,029
EXPENDITURES:				
County Commissioner's Office				
Current:				
General government	1,708,382	1,708,382	1,515,844	192,538
Judicial	745,930	745,930	729,990	15,940
Public safety	4,623,118	4,623,118	4,621,950	1,168
Public works	2,276,360	2,276,360	2,271,820	4,540
Health and welfare	175,000	175,000	158,932	16,068
Culture and recreation	728,195	728,195	727,012	1,183
Contingency	-	-	-	-
Debt Service:				
Principal retirement	80,000	80,000	75,451	4,549
Interest	50,000	50,000	46,231	3,769
Total Expenditures	10,386,985	10,386,985	10,147,230	239,755
Excess Revenues Over (Under) Expenditures	(600,000)	(600,000)	(28,216)	571,784
Other Financing Sources (Uses)				
Transfers In:	-	-	-	-
Transfers (Out):	-	-	-	-
Inception of notes	600,000	600,000	600,000	-
Inceptions of leases:	-	-	-	-
Total Other Financing Sources (Uses)	600,000	600,000	600,000	-
Net Change in Fund Balance	$ -	$ -	571,784	$ 571,784
Fund Balance Beginning of Year			2,085,357	
Fund Balance End of Year			2,657,141	

Charlton County, Georgia
Notes to the Budgetary Comparison Schecule
For the Year Ended December 31, 2013

1 Stewardship, Compliance and Accountability:

A. Budgets and Budgetary Accounting:

The annual budget is the financial plan for the operation of Charlton County, Georgia for the ensuing year. The budget process provides for a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the Government. The Government is required to adopt an annual budget no later than sixty (60) days prior to the beginning of each fiscal year. The County Manager, with the assistance of the County Clerk and Department Heads, is required to prepare and submit a budget to the County Commission for review, public hearings and adoption. The Commission may approve, reject, or modify the proposed budget and shall adopt the final budget by ordinance no later than December 31. Upon recommendation of the County Manager and approval of the Chairman and Commission. The Government may make interfund or interdepartmental transfers in the current operating budgets at any regular or special meeting called for such purpose, provided funds are available. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles.

Annual Budgets are adopted for the following funds:

Governmental Funds:

General Fund

Special Revenue Funds:

Recreation Department

Capital Project funds:

CDBG 13p-y-024-1-5609
Jail SPLOST
2003 SPLOST Fund
2008 SPLOST Fund

Budgetary amounts are formally integrated into the fund general ledgers.

The legal level of budgetary control is the governmental function level within the individual funds. Increases in the total appropriations of a function, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among functions, require the recommendation of the County Manager and approval of the County Commission. The County Manager may authorize transfers of appropriations between line items with any function without Commission approval. Appropriations lapse at year end. Final budget amounts are included on all budget comparisons in this report.

Charlton County, Georgia
Notes to the Budgetary Comparison Schecule
For the Year Ended December 31, 2013

1 Stewardship, Compliance and Accountability:

B. Excess of Expenditures over Appropriations:

There were no expenditures in excess of appropriations for the year ended December 31, 2012

Nonmajor Governmental Funds

Charlton County, Georgia
All Nonmajor Governmental Funds
Combining Balance Sheets
December 31, 2013

Assets	Governmental Funds: Special Revenue	Governmental Funds: Capital Project	Total Nonmajor Governmental Funds
Cash	$ 2,938	$ -	$ 2,938
Prepaid Assets	-	-	-
Total Assets	$ 2,938	$ -	$ 2,938
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	$ -	$ -	$ -
Total Liabilities	-	-	-
Fund Balances			
Restricted	-	-	
Assigned	2,938	-	2,938
Total Fund Balances	2,938	-	2,938
Total Liabilities and Fund Balances	$ 2,938	$ -	$ 2,938

Charlton County, Georgia
All Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2013

	Governmental Funds		Total Nonmajor Governmental Funds
	Special Revenue	Capital Project	
REVENUES			
Charges for services	$ 20,485	$ -	$ 20,485
Intergovernmental	-	-	-
Contributions	-	-	-
Interest	-	-	-
Total Revenues	20,485	-	20,485
EXPENDITURES			
Current:			
Public Safety	-	-	-
Public Works	-	201	201
Culture and recreation	17,826		17,826
Total Expenditures	17,826	201	18,027
Excess (deficiency) of revenues over (under) expenditures	2,659	(201)	2,458
Net charge in Fund balances	2,659	(201)	2,458
Fund balance beginning	279	201	480
Fund balance ending	$ 2,938	$ -	$ 2,938

NON-MAJOR SPECIAL REVENUE FUNDS

Account for the proceeds of specific revenue sources (other than those from expendable trusts or for major capital projects) that are restricted legally to expenditures for specified purposes.

The County's Non-major Special Revenue Funds are as follows:

Recreation Department

NON-MAJOR SPECIAL REVENUE FUNDS

Recreation Department: To account for revenue and expenditures of organized sports events conducted by the recreation department.

Charlton County, Georgia
Recreation Department
Balance Sheet
December 31, 2013

Assets:		
Cash	$	2,938
Grant receivable		-
Total Assets	$	2,938
Liabilities and Fund Balance:		
Liabilities		
Deferred grant revenue	$	-
Total Liabilities		-
Fund Balance		
Restricted		-
Assigned		2,938
Total Fund Balances		2,938
Total Liabilities and Fund Balances	$	2,938

Charlton County, Georgia
Recreation Department
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Charges for services	$ 20,000	$ 20,000	$ 20,485	$ 485
Total Revenues	20,000	20,000	20,485	485
Expenditures:				
Current:				
Recreation	20,000	20,000	17,826	2,174
Total Expenditures	20,000	20,000	17,826	2,174
Excess (deficiency) of Revenues over (under) Expenditures	-	-	2,659	2,659
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other F incncing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	2,659	2,659
Fund Balance Beginning			279	
Fund Balance Ending			$ 2,938	

NON-MAJOR CAPITAL PROJECT FUNDS

Account for financial resources to be used for the acquisition or construction of major capital facilities (other than those facilities financed by proprietary funds and thust funds).

The County's Non-major Capital Project Funds are as follows:

2003 Special Local Option Sales Tax

NON-MAJOR CAPITAL PROJECT FUNDS

2003 Special Local Option Sales Tax--To account for funds for the capital project required by the documents approved by voters.

Charlton County, Georgia
2003 SPLOST
Balance Sheet
December 31, 2013

Assets:	
Cash	$ -
Grant receivable	-
Total Assets	$ -
Liabilities and Fund Balance:	
Liabilities	
Deferred grant revenue	$ -
Total Liabilities	-
Fund Balance	
Restricted	-
Assigned	-
Total Fund Balances	-
Total Liabilities and Fund Balances	$ -

Charlton County, Georgia
2003 SPLOST
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Interest	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Administration	-	-	-	-
Public works	201	201	201	-
Total Expenditures	201	201	201	-
Excess (deficiency) of Revenues over (under) Expenditures	(201)	(201)	(201)	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other F incncing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(201)	(201)	(201)	-
Fund Balance Beginning	201	201	201	-
Fund Balance Ending	$ 201	$ 201	$ -	$ -

CAPITAL PROJECT FUNDS

A MAJOR FUND

The Capital Project Fund is to account for all activities associated with the County's Capital Projects.

The Major Capital Project Funds are as Follows:

Jail Special Local Option Sales Tax
CDBG 13p-y-024-1-5609
2008 Special Local Option Sales Tax

Charlton County, Georgia
Budgetary Comparison Schedule--Jail SPLOST Fund
For the Year Ended December 31, 2013

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
Sales taxes	$ -	$ -	$ -	$ -
Interest	1,500	1,500	1,494	(6)
Total Revenue	1,500	1,500	1,494	(6)
EXPENDITURES:				
County Commissioner's Office				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital Expenditures:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	98,000	98,000	97,855	145
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service:				-
Principal retirement	-	-	-	-
Interest	-	-	-	-
	-			
Total Expenditures	98,000	98,000	97,855	145
Excess Revenues Over (Under) Expenditures	(96,500)	(96,500)	(96,361)	139
Other Financing Sources				
Contingency	96,500	96,500	-	(96,500)
Transfers In:	-	-	-	-
Transfers (Out):	-	-	-	-
Inceptions of Notes:	-	-	-	-
Total Other Financing Sources (Uses)	96,500	96,500	-	(96,500)
Net Change in Fund Balance	$ -	$ -	(96,361)	$ (96,361)
Fund Balance Beginning of Year			622,368	
Fund Balance End of Year			$ 526,007	

Charlton County, Georgia
Budgetary Comparison Schedule--CDBG 13p-y-024-1-5609
For the Year Ended December 31, 2013

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
Intergovernmental	$ 500,000	$ 500,000	$ 15,205	$ (484,795)
Interest	-	-	-	-
Total Revenue	500,000	500,000	15,205	(484,795)
EXPENDITURES:				
County Commissioner's Office				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital Expenditures:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	500,000	500,000	4,836	495,164
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service:				-
Principal retirement	-	-	-	-
Interest	-	-	-	-
	-			
Total Expenditures	500,000	500,000	4,836	495,164
Excess Revenues Over (Under) Expenditures	-	-	10,369	10,369
Other Financing Sources				
Contingency	-	-	-	-
Transfers In:	-	-	-	-
Transfers (Out):	-	-	-	-
Inceptions of Notes:	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	$ -	$ -	10,369	$ 10,369
Fund Balance Beginning of Year			-	
Fund Balance End of Year			$ 10,369	

Charlton County, Georgia
Budgetary Comparison Schedule--2008 SPLOST Fund
For the Year Ended December 31, 2013

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
Special Local Option Sales Tax	$ 1,250,000	$ 1,250,000	$ 1,090,847	$ (159,153)
Other	50,000	50,000	50,171	171
Total Revenue	1,300,000	1,300,000	1,141,018	(158,982)
EXPENDITURES:				
County Commissioner's Office				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital Expenditures:				
General government	-	-	-	-
Judicial	100,000	100,000	96,200	3,800
Public safety	90,000	90,000	77,487	12,513
Public works	1,200,000	1,200,000	1,077,546	122,454
Culture and recreation	75,000	75,000	66,657	8,343
Debt Service:				-
Principal retirement	-	-	106,944	(106,944)
Interest	-	-	5,489	(5,489)
	-			
Total Expenditures	1,465,000	1,465,000	1,430,323	34,677
Excess Revenues Over (Under) Expenditures	(165,000)	(165,000)	(289,305)	(124,305)
Other Financing Sources (Uses)				
Contingency	165,000	165,000	-	(165,000)
Transfers In:	-	-	-	-
Transfers (Out):	-	-	-	-
Inceptions of Notes:	-	-	-	-
Total Other Financing Sources (Uses)	165,000	165,000	-	(165,000)
Net Change in Fund Balance	$ -	$ -	(289,305)	$ (289,305)
Fund Balance Beginning of Year			1,835,590	
Fund Balance End of Year			$ 1,546,285	

FIDUCIARY FUNDS

The Fiduciary Funds are used to account for ASSETS held by the County in a fiduciary capacity.

The County's Fiduciary-Agency Funds are as follows:

Tax Commissioner
Sheriff
Clerk of Court
Magistrate Court
Probate Court

Charlton County, Georgia
Combining Schedule of Fiduciary Assets and Liabilities
All Agency Funds
December 31, 2013

	Tax Commissioner	Sheriff	Clerk of Court	Magistrate Court	Probate Court	Totals
Assets:						
Cash	$ -	$ 17,125	$ 174,449	$ -	$ 40	$ 191,614
Total Assets	$ -	$ 17,125	$ 174,449	$ -	$ 40	$ 191,614
Liabilities:						
Due to other funds	$ -	$ -	$ -	$ -	$ -	$ -
Due to other governments and individuals	-	17,125	174,449	-	40	191,614
Total Liabilities	$ -	$ 17,125	$ 174,449	$ -	$ 40	$ 191,614

Charlton County, Georgia
Combining Schedule of Changes in Assets and Liabilities
Agency Funds
December 31, 2013

Tax Commissioner	Balance Jan. 1,2013	Additions	Deductions	Balance Dec. 31, 2013
Assets:				
Cash	$ -	$ 13,140,602	$ 13,140,602	$ -
Total Assets	$ -	$ 13,140,602	$ 13,140,602	$ -
Liabilities:				
Due to Other Funds	$ -	$ 6,560,367	$ 6,560,367	$ -
Due to Other Governments and Individuals	-	6,580,235	6,580,235	-
Total Liabilities	$ -	$ 13,140,602	$ 13,140,602	$ -

Sheriff	Balance Jan. 1,2013	Additions	Deductions	Balance Dec. 31, 2013
Assets:				
Cash	$ 11,302	$ 60,665	$ 54,842	$ 17,125
Total Assets	$ 11,302	$ 60,665	$ 54,842	$ 17,125
Liabilities:				
Due to Other Funds	$ -	$ 35,005	$ 35,005	$ -
Due to Other Governments and Individuals	11,302	25,660	19,837	17,125
Total Liabilities	$ 11,302	$ 60,665	$ 54,842	$ 17,125

Charlton County, Georgia
Combining Schedule of Changes in Assets and Liabilities
Agency Funds
December 31, 2013

Clerk of Court	Balance Jan. 1,2013	Additions	Deductions	Balance Dec. 31, 2013
Assets:				
Cash	$ 103,905	$ 766,010	$ 695,466	$ 174,449
Total Assets	$ 103,905	$ 766,010	$ 695,466	$ 174,449
Liabilities:				
Due to Other Funds	$ -	$ 247,890	$ 247,890	$ -
Due to Other Governments and Individuals	103,905	518,120	447,576	174,449
Total Liabilities	$ 103,905	$ 766,010	$ 695,466	$ 174,449

Magistrate Court	Balance Jan. 1,2013	Additions	Deductions	Balance Dec. 31, 2013
Assets:				
Cash	$ -	$ 76,693	$ 76,693	$ -
Due from Other Funds	-	-	-	-
Total Assets	$ -	$ 76,693	$ 76,693	$ -
Liabilities:				
Due to Other Funds	$ -	$ 12,650	$ 12,650	$ -
Due to Other Governments and Individuals	-	64,043	64,043	-
Total Liabilities	$ -	$ 76,693	$ 76,693	$ -

Charlton County, Georgia
Combining Schedule of Changes in Assets and Liabilities
Agency Funds
December 31, 2013

Probate Court	Balance Jan. 1,2013	Additions	Deductions	Balance Dec. 31, 2013
Assets:				
Cash	$ 42	$ 100,015	$ 100,017	$ 40
Total Assets	$ 42	$ 100,015	$ 100,017	$ 40
Liabilities:				
Due to Other Funds	$ -	$ 100,015	$ 100,015	$ -
Due to Other Governments and Individuals	42	-	2	40
Total Liabilities	$ 42	$ 100,015	$ 100,017	$ 40

Total all Agencies	Balance Jan. 1,2013	Additions	Deductions	Balance Dec. 31, 2013
Assets:				
Cash	$ 115,249	$ 14,143,985	$ 14,067,620	$ 191,614
Total Assets	$ 115,249	$ 14,143,985	$ 14,067,620	$ 191,614
Liabilities:				
Due to Other Funds	$ -	$ 6,955,927	$ 6,955,927	$ -
Due to Other Governments and Individuals	115,249	7,188,058	7,111,693	191,614
Total Liabilities	$ 115,249	$ 14,143,985	$ 14,067,620	$ 191,614

CAPITAL ASSETS

USED IN THE OPERATION

OF GOVERNMENTAL FUNDS

The Capital Assets of the County are presented by source, function and activity, and changes by function and activity.

Charlton County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
December 31, 2013

	2013	2012
Governmental Funds Capital Assets		
Land	$ 550,000	$ 550,000
Buildings	8,498,835	8,078,923
Machinery and Equipment	8,844,009	7,655,138
Infrastructure	4,203,760	3,750,878
Construction in Progress	-	-
Total Governmental Funds Capital Assets	$ 22,096,604	$ 20,034,939
Investments in Governmental Funds Capital Assets by Source		
General Fund	11,085,944	10,407,217
Special Revenue Funds	-	-
Capital Projects Funds	11,010,660	9,627,722
Total Governmental Funds Capital Assets	$ 22,096,604	$ 20,034,939

Charlton County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2013

Function and Activity	Land	Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government	$ 275,000	$ 953,942	$ 122,973	$ -	$ -	$ 1,351,915
Judicial	-	3,296,703	32,925	-	-	3,329,628
Public Safety	50,000	2,633,462	2,511,352	-	-	5,194,814
Public Works	50,000	41,143	5,775,193	4,203,760	-	10,070,096
Health and Welfare	25,000	423,345	34,729	-	-	483,074
Culture and Recreation	150,000	1,150,240	366,837	-	-	1,667,077
Total Governmental Fund Capital Assets	$ 550,000	$ 8,498,835	$ 8,844,009	$ 4,203,760	$ -	$ 22,096,604

Charlton County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2013

Function and Activity	Governmental Funds Capital Assets Jan. 1, 2013	Additions	Deductions	Governmental Funds Capital Assets Dec. 31, 2013
Land	$ 550,000	$ -	$ -	$ 550,000
Buildings	8,078,923	419,912	-	8,498,835
Machinery and equipment	7,655,138	1,338,947	150,076	8,844,009
Infrastructure	3,750,878	452,882	-	4,203,760
Construction in progress	-	-	-	-
	$ 20,034,939	$ 2,211,741	$ 150,076	$ 22,096,604

STATE COMPLIANCE SECTION

SPECIAL REPORTS

The Special Report is applicable to the Special 1 Percent Sales and Use tax required by the State of Georgia.

Earl A. Lawson CERTIFIED PUBLIC ACCOUNTANT

POST OFFICE DRAWER 942
112 N. CENTRAL AVENUE
BLACKSHEAR, GA 31516-0942
TELEPHONE: 912-449-5485
FAX: 912-449-1529

Independent Auditor's Report on the Schedule of Special Purpose Local Option Sales Tax

To The County Commissioners
Charlton County, Georgia

I have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the Charlton County, Georgia for the year ended December 31, 2013. This schedule is the responsibility of the Charlton County's management. My responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the Schedule of Special Purpose Local Option Sales Tax if free of material misstatement. An audit includes examining, on a test basis, evidence suppurating the amounts and disclosures in the Schedule of special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of special Purpose Local Option Sales Tax. I believe that my audit provides a reasonable basis for my opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code to Georgia Annotated, 48-8-121 on the modified accrual basis of accounting used for the SPLOST schedule as described in Note 1-D and is not intended to be a complete presentation of Charlton County's revenues and expenditures.

In my opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in Charlton County's resolution or ordinance calling for the tax for the year ended December 31, 2013, in conformity with accounting principles generally accepted in the United states of America.

Earl A. Lawson
Certified Public Accountant
June 2, 2014

MEMBER:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Charlton County, Georgia
Jail Projects Constructed With Special Purpose
Local Option Sales Tax Proceeds
For the Year Ended December 31, 2013

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Jail	2,000,000	2,087,436	97,855	2,185,291	109.26%
TOTAL	$ 2,000,000	$ 2,087,436	$ 97,855	$ 2,185,291	

Note (1): Estimated percentage of completion is based on expenditures by the County to date in relation to total estimated expenditures, which have provided by County management.

Charlton County, Georgia
1998 Projects Constructed With Special Purpose
Local Option Sales Tax Proceeds
For the Year Ended December 31, 2013

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Building Improvements	$ 2,216,580	$ 2,216,580	$ -	$ 2,216,580	100.00%
Roads	1,000,000	1,459,407	-	1,459,407	145.94%
	$ 3,216,580	$ 3,675,987	$ -	$ 3,675,987	

Note (1): Estimated percentage of completion is based on expenditures by the County to date in relation to total estimated expenditures, which have provided by County management.

Charlton County, Georgia
2003 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2013

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Courthouse Renovations	$ 1,398,000	$ 1,710,279	$ -	$ 1,710,279	122.34%
Better and improvements of equipment and facilities of the Charlton Memorial Hospital, to include possible purchase of supplies and equipment.	361,800	388,800	-	388,800	107.46%
Betterment and improvements of Equipment and Resources of the Fire Departments to include possible purchase of supplies and equipment.	535,000	644,414	-	644,414	120.45%
Betterment and improvement of recreational facilities and equipment to include possible puchase of supplies and equipment.					
Charlton County	510,000	689,145	-	689,145	135.13%
City of Homeland	25,000	25,000	-	25,000	100.00%
Paving of roads and street Improvements					
Charlton County	830,000	1,783,587	201	1,783,788	214.91%
City of Folkston	145,000	145,000	-	145,000	100.00%
City of Homeland	25,000	25,000	-	25,000	100.00%

Charlton County, Georgia
2003 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2013

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Improvement and expansion of the Library to include possible purchase of supplies and equipment.	271,000	271,000	-	271,000	100.00%
TOTAL	$ 4,100,800	$ 5,682,225	201	5,682,426	

Note (1): Estimated percentage of completion is based on expenditures by the County to date in relation to total estimated expenditures, which have provided by County management.

Charlton County, Georgia
2008 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2013

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Courthouse Complex:					
Renovations and expansion	$ 3,000,000	$ 1,939,354	$ 96,200	$ 2,035,554	67.85%
Better and improvements of equipment and facilities of the Charlton Memorial Hospital, to include possible purchase of supplies and equipment.	150,000	158,994	-	158,994	106.00%
Better and improvements to the emergency medical service by the purchase of an ambulance	150,000	150,000	77,487	227,487	151.66%
Better and improvements to the Sheriff's Department by the purchase of new law enforcement vehicles	300,000	210,584	-	210,584	70.19%
Betterment and improvements of Equipment and Resources of the Fire Departments to include possible purchase of supplies and equipment.	300,000	165,901	-	165,901	55.30%
Betterment and improvements of equipment and resources of the Public Works:					
New Trash Truck	100,000	100,000	-	100,000	100.00%
Road Equipment	300,000	331,903	731,433	1,063,336	354.45%
Paving of roads and street Improvements, betterments, and paving	2,000,000	235,244	458,546	693,790	34.69%

Charlton County, Georgia
2008 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2013

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Betterment and improvement of recreational facilities and equipment to include possible puchase of supplies and equipment.	200,000	34,604	66,657	101,261	50.63%
Betterment and improvements of equipment, resources roads, and drainage:					
Folkston	200,000	221,331	-	221,331	110.67%
Homeland	100,000	100,000	-	100,000	100.00%
Totals	$ 6,800,000	$ 3,647,915	$ 1,430,323	$ 5,078,238	

Note (1): Estimated percentage of completion is based on expenditures by the County to date in relation to total estimated expenditures, which have provided by County management.

Charlton County, Georgia
2014 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2013

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Renovation of, repairs, and improvements to Health Department Building	$ 50,000	$ -	$ -	$ -	0.00%
Renovation of, repairs, and improvements to Family Practice Clinic and purahase necessary equipment	150,000	-	-	-	0.00%
Purchase of vehicles, construstion or provision of necessary housing, and purchase of necessary county-wide Enhanced 911	950,000	-	-	-	0.00%
Renovation of, repairs, and improvements to County Library and purchase of equipment	50,000	-	-	-	0.00%
Expansion, revovation of, repairs, and improvements to County Senior Citizens Center	80,000	-	-	-	0.00%
Purchase of vehicles and equipment for County Sheriff's office	500,000	-		-	0.00%
Improvement, renovation, and/or construction of County Physical plant, including needed building repairs, construction of fuel shelters, shop, and purchase of equipment, computer software and hardware	455,000	-	-	-	0.00%

Charlton County, Georgia
2014 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2013

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Renovation of, repairs, and improvements to County Volunteer Firefighter Stations 1 thru 5	225,000	-	-	-	0.00%
Construction of Georgia Bend Training Room/Polling Place	50,000	-	-	-	0.00%
Construction, repair, and improvement of County roads and bridges	2,000,000	-	-	-	0.00%
Purchase of fire vehicles, breathing apparatus, turnout gear, and other equipment for use by County volunteer firefighters	550,000	-	-	-	0.00%
Improvement and expansion of County parks and recreation facilities and purchase of major equipment	330,000	-	-	-	0.00%
Purchase of major equipment for use by County Road Department	830,000	-	-	-	0.00%
Purchase of two (2) trash trucks for the County Sanitation Department	280,000	-	-	-	0.00%
Renvoations, improvements, expansion and purchase of personal property relating to streets, sidewalks, water and wastewater system and other public facilites in Folkston	200,000	-	-	-	0.00%

Charlton County, Georgia
2014 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2013

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Renvoations, improvements, expansion and purchase of personal property relating to streets, sidewalks, water and wastewater system and other public facilites in Homeland	100,000	-	-	-	0.00%
Totals	$ 6,800,000	$ -	$ -	$ -	

Note (1): Estimated percentage of completion is based on expenditures by the County to date in relation to total estimated expenditures, which have provided by County management.

Earl A. Lawson CERTIFIED PUBLIC ACCOUNTANT

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To The County Commissioners
Charlton County, Georgia

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Charlton County, Georgia, as of and for the year ended December 31, 2013, and the related notes to the financial statements which collectively comprise Charlton County's basic financial statements, and have issued my report thereon dated June 2, 2014. My report includes a reference to other auditors who audited the financial statements of the Charlton County Health Department, as described in my report of Charlton 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.

Internal Control Over Financial Reporting

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

My 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

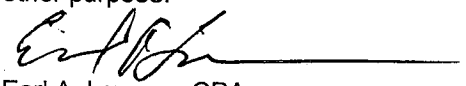
MEMBER:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charlton County's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.



Earl A. Lawson, CPA
Blackshear, Georgia
June 2, 2014