Decatur County, Georgia

Report on Examination of Financial Statements

For the Fiscal Year Ended
June 30, 2011

DECATUR COUNTY, GEORGIA
For The Fiscal Year Ended June 30, 2011
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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Decatur County, Georgia
Bainbridge, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Decatur County, Georgia as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Decatur County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represents 29.60% and 68.95%, respectively, of the total assets and revenues of Decatur County, Georgia. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units (Decatur county Health Department and the Hospital Authority of Bainbridge, Decatur County, Georgia), is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2012, on our consideration of Decatur County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages I through XIII and 55 through 59 be

presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an

essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Decatur County, Georgia's basic financial statements. The accompanying schedule of expenditures of special purpose local option sales tax proceeds (pages 84-85) is presented for purposes of additional analysis as required by Georgia Statutes (48-8-121 OCGA) and is not a required part of the financial statements of Decatur County, Georgia. Additionally, in the supplemental section, the combining and individual fund statements on pages 62 through 83 and the schedules on pages 86 through 91 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (page 96) is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not part of the basic financial statements of Decatur County, Georgia. The combining and individual nonmajor fund financial statements and the schedule of expenditures of special purpose local option sales tax proceeds and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Coastal CPAs, LLC

Coastal CPAs, LLC

St. Simons Island, Georgia
January 6, 2012

Our discussion and analysis of Decatur County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the County's financial statements, which begin on page 1, and the Notes to the Financial Statements, which begin on page 15. It is important to note that the 2010 figures in this Management's Discussion and Analysis have been changed to reflect a prior period adjustment. For more information on this adjustment, please refer to the Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

The County's net assets totaled $45,786,959 for its governmental and business-type activities, a decrease of $1,658,379 from the previous fiscal year.

- Total combined revenues for governmental and business-type activities were $27,488,498.
- Overall expenses were $29,146,877, of which governmental activities were $24,121,612 and business-type activities were $5,025,265.
- As of June 30, 2011, governmental activities' expenses exceeded program revenue, resulting in the use of $17,824,393 in general revenues (primarily taxes).
- In the County's business-type activities, revenues were $4,896,367 and expenses were $5,025,265, for an operating loss of $128,898 for 2011. Operating losses for the County's business-type activities are offset by the use of general revenues.
- The General Fund resources available for appropriation were $282,295 less than budgeted and expenditures were $317,843 less than budgeted.
- The combined governmental funds' balance as of June 30, 2011 was $9,125,318 of which the General Fund comprised $7,854,868, the Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Funds comprised $887,975 and other governmental funds comprised $382,475.
- The General Fund reported a decrease of $2,548,513 in unassigned fund balance to $4,107,750 from the prior fiscal year. This decrease is due to the implementation of GASB 54, which required the County to move $2,610,138 from unassigned fund balance to nonspendable fund balance. The nonspendable portion represents a long-term interfund receivable from the SPLOST 4 Capital Projects Fund. Had GASB 54 not been implemented, unassigned fund balance would have increased by $61,625. For more information on the new classifications of fund balance, please refer to the Notes to the Financial Statements. This compares with an unassigned fund balance of $6,656,263 and an increase of $351,892 in unassigned fund balance for the prior year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 1- 3) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. The Statement

of Activities presents information showing how the County's net assets changed during the most recent fiscal year. The governmental fund financial statements start on page 4. 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.

Government-wide Reporting

The Statement of Net Assets and the Statement of Activities

Our analysis of the County as a whole begins on page IV. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the type of accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes in them. You can think of the County's net assets—the difference between assets and liabilities—as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the County's property tax base and the condition of the County's roads to assess the overall well-being of the County.

In the Statement of Net Assets and the Statement of Activities, we divide the County into three kinds of activities:

- Governmental activities—Most of the County's basic services are reported here, including the public safety, public works, judiciary, health, welfare, culture, recreation, development, as well as general administration. Property taxes, sales taxes, fees, fines, and state and federal grants finance most of these activities.
- Business-type activities—The County charges a fee to customers to help it cover the cost of certain services it provides. The County's Airport, Natural Gas, Landfill, Water and Sewer, and Ambulance Services are reported here.
- Component units—The County includes three separate legal entities in its report – the Decatur County Health Department, Hospital Authority of Bainbridge, Decatur County, GA and the Law Library Special Revenue Fund. The Decatur County Health Department and the Hospital Authority of Bainbridge, Decatur County, GA are presented as discretely-presented component units in a separate column in the basic financial statements. The Law Library Special Revenue Fund is reported as a blended component unit in the other governmental funds column of the basic financial statements. Although legally separate, these "component units" are important because

the County is either financially accountable, or may maintain control by means of appointments to the governing boards of these organizations, or may be required by the state to report them as component units. Financial Statements for the County's discretely presented component units are found beginning on page 13.

Reporting the County's Most Significant Funds

Fund Financial Statements

Our analysis of the County's major funds begins on page VIII. The fund financial statements begin on page 4 and provide detailed information about the most significant funds—not the County as a whole. Some funds are required by State law and by bond covenants. However, the County establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the Georgia Department of Community Affairs). The County's two kinds of funds—governmental and proprietary—use different accounting approaches.

- Governmental funds—Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between government-wide information (reported in the Statement of Net Assets and the Statement of Activities) and governmental fund information in reconciliations on pages 5 and 7, respectively.
- Proprietary funds—When the County charges customers for the services it provides—whether to outside customers or to other units of the County—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the County's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The proprietary fund statements begin on page 8.

The County as Trustee

Reporting the County's Fiduciary Responsibilities

- Fiduciary funds—these funds are used to account for assets held for others. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Assets

and Liabilities on page 12 and Statement of Changes in Assets and Liabilities beginning on page 79. These agency funds' balances are due to other funds, agencies and individuals as of the fiscal year end. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

NET ASSETS

The County's combined net assets decreased $1,658,379 from a year ago—from $47,445,338 to $45,786,959. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the County's governmental and business-type activities.

Table 1
Net Assets
(000's omitted)

	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
Assets:	2010	2011	2010	2011	2010	2011	2010-2011
Current assets	$ 13,533	$ 9,915	$ 360	$ (980)	$ 13,893	$ 8,935	-35.7%
Restricted assets- non current	-	-	91	91	91	91	0.0%
Pension net excess	288	307	-	-	-	307	-
Capital assets- net	34,237	35,066	15,302	16,749	49,539	51,815	4.6%
Total assets	**48,058**	**45,288**	**15,753**	**15,860**	**63,523**	**61,148**	**-3.7%**
Liabilities:							
Long-term debt outstanding	11,227	9,486	3,602	4,156	14,829	13,642	-8.0%
Other liabilities	1,383	1,585	154	134	1,537	1,719	11.8%
Total liabilities	**12,610**	**11,071**	**3,756**	**4,290**	**16,366**	**15,361**	**-6.1%**
Net assets:							
Invested in capital assets, net of debt	27,700	25,627	14,596	15,764	42,296	41,391	-2.1%
Restricted	8,473	4,982	91	91	8,564	5,073	-40.8%
Unrestricted (deficit)	(725)	3,608	(2,690)	(4,285)	(3,415)	(677)	-80.2%
Total net assets	**$ 35,448**	**$ 34,217**	**$ 11,997**	**$ 11,570**	**$ 47,445**	**$ 45,787**	**-3.5%**

*The 2010 business-type activities figures in this table have been changed to reflect the prior period adjustment of $3,462,005, which increased net assets by the same amount. For more information on this adjustment, please refer to the Notes to the Financial Statements.

The County's total net assets (governmental and business-type activities) were $45,786,959 as of June 30, 2011. The County's unrestricted net assets were a negative $676,669 at June 30, 2011; however, $41,390,535 net of related debt is invested in capital assets.

The largest portion of the County's net assets reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges,) less any debt

used to acquire those assets that remains outstanding. The County uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The total net assets of our business-type activities decreased by 3.5 percent to $11,569,710 compared to $11,997,018 in 2010.

CHANGES IN NET ASSETS

The County's total change in net assets was a negative $1,658,379 from the prior fiscal year as a result of a negative $1,231,071 in its governmental activities and a negative $427,308 in its business-type activities.

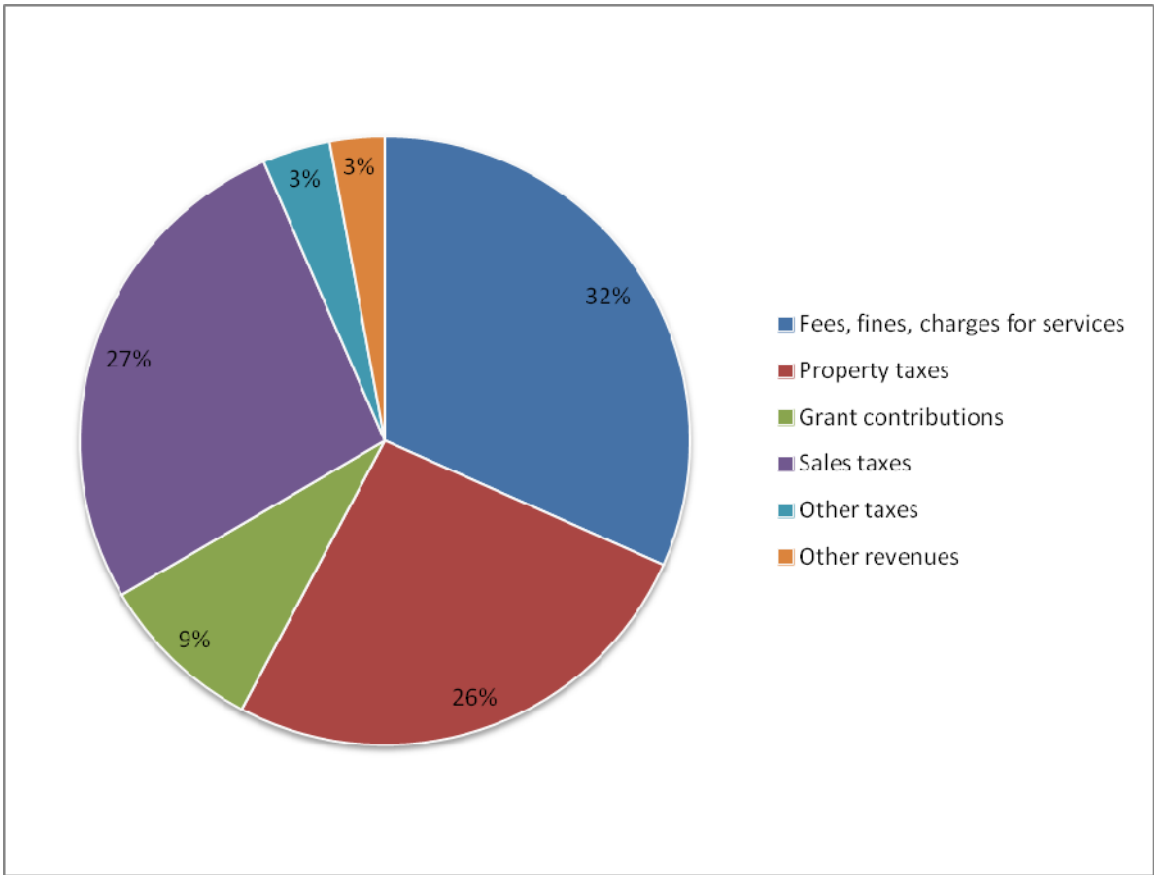
Table 2
Changes in Net Assets
(000's omitted)

	Governmental Activities		Business Type Activities		Total Primary Government		Total % Change
	2010	2011	2010	2011	2010	2011	2010-2011
Revenues							
Program revenues:							
Charges for services	$ 4,291	$ 4,231	$ 4,523	$ 4,479	$ 8,814	$ 8,710	-1.2%
Operating grants	1,060	1,574	-	-	1,060	1,574	48.5%
Capital grants	152	492	-	418	152	910	498.7%
General revenues:							
Property taxes	7,174	7,176	-	-	7,174	7,176	0.0%
Other taxes	8,247	8,393	-	-	8,247	8,393	1.8%
Grants not restricted to specific programs	522	4	-	-	522	4	-99.2%
Investment earnings	207	80	-	-	207	80	-61.4%
Miscellaneous	567	550	-	3	567	553	-2.5%
Total general / program revenues	**22,220**	**22,500**	**4,523**	**4,900**	**26,743**	**27,400**	**2.5%**
Program Expense							
General government	1,647	1,677	-	-	1,647	1,677	1.8%
Judicial	1,550	1,598	-	-	1,550	1,598	3.1%
Public safety	11,823	12,468	1,426	1,443	13,249	13,911	5.0%
Public works	5,613	5,644	3,738	3,582	9,351	9,226	-1.3%
Health and welfare	578	1,292	-	-	578	1,292	123.5%
Culture and recreation	301	289	-	-	301	289	-4.0%
Housing and development	819	798	-	-	819	798	-2.6%
Interest and fiscal charges	394	355	-	-	394	355	-9.9%
Total program expenses	**22,725**	**24,121**	**5,164**	**5,025**	**27,889**	**29,146**	**4.5%**
Changes in net assets	(505)	(1,621)	(641)	(125)	(1,146)	(1,746)	-52.4%
Special item	81	82	(19)	6	62	88	41.9%
Transfers	69	308	(69)	(308)	-	-	-
Changes in net assets	**$ (355)**	**$ (1,231)**	**$ (729)**	**$ (427)**	**$ (1,084)**	**$ (1,658)**	**-53.0%**

Depreciation expenses of $2,970,454 were allocated to the governmental and business type activities. $1,946,207 was allocated to the function of governmental activities and $1,024,247 was allocated to the function of business type activities.

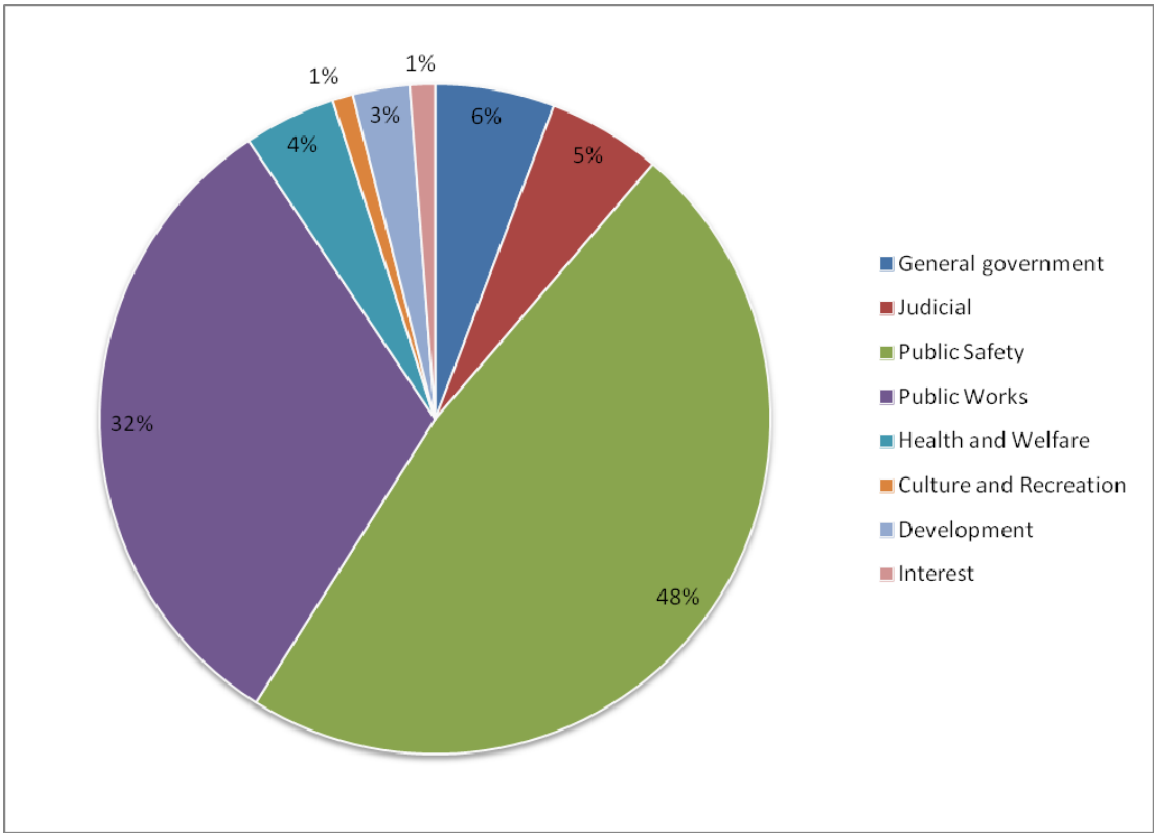
As can be seen from the chart following, approximately 26% of the County's combined total revenue is provided by property taxes, 32% by fees, fines, and charges for services, 27% by sales taxes, 3% by other taxes, and the remaining 12% by a combination of grants, contributions, investment income and other revenues. The County charges fees for services as varied as providing copies of documents, issuing building permits, water and sewer, airport, natural gas, landfill, ambulances services, inmate housing and Emergency 911, in addition, the Courts (Superior, State, Probate, Magistrate & Juvenile) impose fines for violations of laws and ordinances.

Revenue Sources – FY 2011



The County's major expenses, at 48% of the combined total, are clearly in the area of providing services to ensure the public safety. These services include the Sheriff's office, jail operations, fire protection, emergency medical services, E-911, the coroner, animal control, and emergency management.

Program Expenses – FY 2011



THE COUNTY'S FUNDS

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

The objective of the County's governmental funds is to provide information on near-term activity and balances of spendable resources. Such information is useful in assessing the County's financial requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. It should be noted, however, that one of the County's major revenue sources—property taxes—is available once a year, approximately five months after the close of the fiscal year. The fund balance at the close of any fiscal year should be large enough to provide adequate financial resources until the next fiscal year's taxes are received.

The County ended the 2011 fiscal year with a balance of $9,125,318 in its governmental funds. Of this, there is a non-spendable portion of $2,625,913 in the General Fund. Restricted fund balance is made up of $3,498,113 restricted for capital projects, $55,466 restricted for legal reference materials, $113,532 restricted for public safety, $306,707 restricted for economic development, and $35,321 restricted for other purposes. There is $1,085,884 in the General Fund that is committed to retirement. Unassigned fund balance is made up of $4,107,750 in the General Fund, a deficit of $2,610,138 in the SPLOST IV capital projects fund, and a deficit of $93,230 in other governmental funds.

Major Funds

General Fund

The General Fund is the operating fund of the County. At the end of the current year, the fund balance was $7,854,868, of which $4,107,750 was unassigned, which is available for spending in the coming year. As a measure of liquidity, it may be useful to compare the unassigned fund balance to total expenditures for the General Fund and transfers out to other funds. The unassigned General Fund balance represents 24% of that total. Therefore, the unassigned fund balance could fund 24% of one year's normal budgeted appropriations.

The fund balance in the General Fund increased $69,099 during FY 2011, primarily due to an increase in revenues and decrease in expenditures. Additional information about the General Fund can be found on pages 55-56.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of long-term debt and capital lease principal and interest when the County is obligated for the payment. These capital leases are associated with equipment used in activities of the governmental funds. The Debt Service fund did not have any assets, liabilities or fund balances as of June 30, 2011.

Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Funds

The SPLOST Funds were established to account for the proceeds of the special one-cent sales tax and projects approved by the voters on September 16, 2008, for up to $17.8 million and November 4, 2003, for up to $13.5 million.

On September 16, 2008, the voters approved a six year SPLOST referendum (SPLOST V Fund) which began on April 1, 2009. Capital projects approved in the referendum are as follows:

Silver Lake Property, Telecomumunications System, Landfill, Fire/EMS/911 Center, AG Center (Ext. Service/FSA), Spec Building, Jail, Fire Department Equip. & Facilities and Public Safety Equipment	$ 11.60	Million
Roads & Bridge Improvements	6.20	Million
Total	$ 17.80	Million

On November 4, 2003, the voters approved a five year SPLOST referendum (SPLOST IV Fund) which began on April 1, 2004.

Capital projects approved by the voters in the referendum are as follows:

Sanitary landfill, animal control, fire station and equipment, jail improvements, livestock facility improvement, and recreation projects.	$ 7.20	Million
Roads & Bridge Improvements	6.30	Million
Total	$ 13.50	Million

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SPLOST expenditures during FY 2011 consisted of the following:

Description	SPLOST IV	SPLOST V
Solid Waste Activities	$ -	$ 1,513,124
Silver Lake Property	-	199,655
Telecommunications System	-	931,225
Jail Improvements	98,243	41,415
Livestock Facility Improvements	4,500	-
Recreation Improvements	-	-
Fire Station and Equipment	-	5,288
Fire/EMS/911 Center	-	79,241
Public Safety Equipment	-	70,192
Ag Center	-	-
Spec Building	-	-
Road and Bridge Improvements	-	1,456,347
Total	$ 102,743	$ 4,296,487

Additional information on the SPLOST Capital Projects funds can be found on pages 4-7 and pages 84-85.

Other Governmental Funds

Combined assets were $950,819; liabilities $568,344; restricted fund balance was $475,705; unassigned fund balance was a negative $93,230 for the year ended June 30, 2011. These totals are a combination of special revenue and capital projects funds.

Non-Major Special Revenue Funds

The County uses special revenue funds to account for the collection and disbursement of revenues that are legally restricted to expenditures for specific purposes. Included in this classification are:

- E-911 Fund
- Confiscated Asset Fund
- Law Library Fund
- CDBG – EIP Fund
- Victim's Assistance Fund
- Local Assistance Grant-VFD Fund
- One GA Grant Fund
- Recovery Act – JAG Fund
- Mandatory Drug Fund

- Tower Escrow Fund
- Telecommunications Reserve Fund
- FEMA – HMGP Fund
- Decatur County Prison Account

Non-Major Capital Projects Funds

These funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds. Capital Projects Funds had on hand no assets and no liabilities. The County has the following non-major capital projects fund:

CDBG Slough Loop Grant Fund # 2

The CDBG Slough Loop Grant Fund # 2 accounts for the activities of a grant from the U.S. Department of Housing and Urban Development. The purpose of the grant is for road construction on Slough Loop. As of June 30, 2011, the CDBG Slough Loop Grant Fund #2 had no assets, liabilities, or fund balance.

Proprietary Funds

The County reports five business-type activities as proprietary funds: Water and Sewer, Natural Gas, Airport, Landfill, and Ambulance Service. The Water and Sewer, Natural Gas, Airport, Landfill, and Ambulance Service Funds had combined operating losses which totaled $487,735. This compares to last year's operating losses of Water and Sewer, Natural Gas, Airport, Landfill, and Ambulance Service Funds of $539,627. The operating losses in the business-type activities were decreased by non-operating revenues and transfers from other funds. More detailed information about the County's proprietary funds can be found on pages 8-11.

Fiduciary Funds

These agency funds' balances are due to other funds, agencies and individuals as of the fiscal year end. Additional information is available on page 79 of the Combining and Individual Fund Statements and Schedules Section. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The fiduciary funds assets and liabilities are $1,086,845.

GENERAL FUND BUDGETARY HIGHLIGHTS

The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is at the department level. The most significant budget is that of the General Fund. Significant variations between the original and final budget amounts were as a result of increased funding from grantor agencies and increases in fines, fees, charges for services, and miscellaneous revenues.

The County's original budget and the final budget projected no excess of revenues over expenditures on the budgetary basis. The actual revenues and expenditures on the budgetary basis, along with transfers and proceeds from the sale of capital assets, resulted in a surplus of $250,055.

Significant variations between the original and final budget amounts were as a result of increased funding from grantor agencies and increases in fines, fees, charges for services, and miscellaneous revenues. Actual revenues were $282,295 less than budgeted and actual expenditures were $317,843 less than budgeted and other financing sources/uses and special items reflects a negative $132,243 variance resulting in the decrease in unassigned financial resources of $96,695.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2011, amounts to $51,816,109 net of accumulated depreciation of $32,973,260. This investment in capital assets includes land, site improvements, construction-in-progress, buildings and building improvements, equipment, and infrastructure.

Total capital assets, net of additions, retirements and depreciation, increased $829,254 for governmental activities and increased $1,447,221 for business-type activities. Depreciation expense for the period was $2,970,455, of which $1,393,926 was for infrastructure. Additional information on Capital Assets can be found in Note 4 of the Notes to the Financial Statements, on pages 28-30.

Long-term Debt

As of June 30, 2011, Decatur County had $13,642,580 in outstanding long-term debt principal, of which $2,017,598 is due within one year. Of the debt due within one year $20,000 represents principal payments on the Series 1979 Water and Sewer Bonds which are secured by the revenues of the Water and Sewer Systems. Water and Sewer revenues in the upcoming fiscal year should be sufficient to service this debt service requirement. $460,470 of the debt due within one year represents current payments on capital leases for equipment used in the General, Landfill, and EMS funds. The County elected to enter into a loan agreement with the Georgia Environmental Facilities Authority to be used to finance the Silver Lake property. The current portion of this debt due in the upcoming fiscal year is $121,198. The County also entered into a debt

agreement with USDA Rural Development for the purpose of purchasing patrol vehicles for the Sheriff Department. The current portion of this debt due in the upcoming fiscal year is $30,930. In addition, the County also elected to issue SPLOST General Obligation Revenue bonds to fund various projects as outlined in the referendum. The current portion of these bonds coming due in the upcoming fiscal year is $1,385,000 Resources in the above-mentioned funds should be sufficient to service the debt payments due in future years. The landfill fund has an accrued liability of $853,675 for closure and post closure costs for the old landfill, which was closed in July 2006. Also, the landfill fund has an accrued liability of $2,316,619 for closure and post-closure costs for the new landfill, which was opened shortly after the old landfill was closed and is currently in use. The County is of the opinion that future net resources of the landfill fund will be able to service this liability.

The Commissioners annually adopt a balanced budget, set the millage rate to provide general revenues to cover the costs of all County programs that are not covered by specific program revenues, maintain an adequate unassigned general fund balance, and adopt such financial policies as enhance their ability to maintain a safe and sound financial structure for the County. Additional information about the County's long-term debt can be found in Note 5 of the Notes to the Financial Statements, beginning on page 30.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2011 budget, including, but not limited to, tax rates and fees that will be charged for services. One of the most significant factors is the current condition of the economy. Although demand for an increase in services continues to rise, as does the expenses to fund services, the economy has not kept pace providing any additional funds. Although the tax digest has decreased, the County has been able to maintain satisfactory levels of services to its citizens while holding the millage rate constant.

The commissioners actively participate in regional planning with State agencies, Federal agencies, neighboring counties and municipalities within the County to maximize services to our citizens and to provide these services as economically reasonable as possible.

It is the desire of the Board of Commissioners to provide the highest level of service at the most economical cost to our citizens.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Decatur County Board of Commissioners, 203 West Broughton, Bainbridge, Georgia 39817 or call 229-248-3030.

DECATUR COUNTY, GEORGIA
Statement of Net Assets
June 30, 2011

ASSETS	Governmental Activities	Business-Type Activities	Total	Total Component Units
Cash on hand and in banks	$ 5,538,791	$ 41,930	$ 5,580,721	$ 1,178,688
Pooled cash	147,514	-	147,514	-
Receivable (net, where applicable, of allowances for uncollectible):				
Taxes	153,417	-	153,417	-
Accounts	41,047	677,161	718,208	7,193,260
Other	235,789	-	235,789	794,735
Internal balances	1,699,770	(1,699,770)	-	-
Due from other governments	1,886,473	-	1,886,473	212,412
Inventory, at cost	15,775	-	15,775	523,069
Prepaid expenses	57,704	-	57,704	342,985
Deferred charges	138,750	-	138,750	-
Restricted assets	-	90,729	90,729	2,992,371
Pension net excess	306,728	-	306,728	-
Land and construction in progress	7,640,385	1,652,485	9,292,870	900,038
Other capital assets, net of depreciation	27,426,237	15,097,002	42,523,239	11,576,867
Total Assets	45,288,380	15,859,537	61,147,917	25,714,425
LIABILITIES				
Accounts payable and accrued expenses	854,596	51,786	906,382	3,273,557
Accrued liabilities	494,358	81,849	576,207	3,068,153
Due to other governments	-	-	-	59,506
Deferred revenue	235,789	-	235,789	-
Long-term liabilities:				
Portion due and payable within one year:				
Capital leases, notes and bonds payable	1,796,936	220,662	2,017,598	312,849
Portion due and payable after one year:				
Capital leases, notes and bonds payable	7,689,452	765,236	8,454,688	2,127,267
Accrued closure/postclosure costs	-	3,170,294	3,170,294	-
Compensated absences payable	-	-	-	62,279
Total Liabilities	11,071,131	4,289,827	15,360,958	8,903,611
NET ASSETS				
Investment in capital assets, net of related debt	25,626,946	15,763,589	41,390,535	10,044,476
Restricted for:				
Capital projects	3,498,113	-	3,498,113	-
Other projects	382,475	-	382,475	-
Other purposes	1,101,659	90,846	1,192,505	473,028
Unrestricted	3,608,056	(4,284,725)	(676,669)	6,293,310
Total net assets	$ 34,217,249	$ 11,569,710	$ 45,786,959	$ 16,810,814

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

DECATUR COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Governmental:								
General Government	$ 1,677,130	$ 33,133	$ -	$ -	$ (1,643,997)		$ (1,643,997)	
Judicial	1,598,646	1,560,868	96,834	-	59,056		59,056	
Public Safety	12,468,144	2,632,366	584,203	11,538	(9,240,037)		(9,240,037)	
Public Works	5,643,500	-	4,838	451,179	(5,187,483)		(5,187,483)	
Health and Welfare	1,292,439	124	694,477	-	(597,838)		(597,838)	
Culture and Recreation	289,088	-	-	13,013	(276,075)		(276,075)	
Housing and Development	798,012	4,136	193,859	16,651	(583,366)		(583,366)	
Interest on long-term debt	354,653	-	-	-	(354,653)		(354,653)	
Total governmental activities	24,121,612	4,230,627	1,574,211	492,381	(17,824,393)		(17,824,393)	
Business-type:								
Water and Sewer	664,709	246,368	-	-	-	$ (418,341)	(418,341)	
Natural Gas	296,416	383,543	-	-	-	87,127	87,127	
Airport	985,494	557,819	-	344,660	-	(83,015)	(83,015)	
Ambulance Service	1,442,843	861,980	-	73,276	-	(507,587)	(507,587)	
Landfill	1,635,803	2,428,721	-	-	-	792,918	792,918	
Total business-type activities	5,025,265	4,478,431	-	417,936	-	(128,898)	(128,898)	
Total primary government	$ 29,146,877	$ 8,709,058	$ 1,574,211	$ 910,317				
Component units:								
Hospital Authority of Bainbridge and Decatur County	$ 39,165,452	$ 37,148,681	$ -	$ -				$ (2,016,771)
Decatur County Health Department	1,777,280	474,732	1,249,938	-				(52,610)
Total component units	$ 40,942,732	$ 37,623,413	$ 1,249,938	$ -				(2,069,381)

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

DECATUR COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Changes in Net assets:								
Net (expenses) revenue (Page 2)					(17,824,393)	(128,898)	(17,953,291)	(2,069,381)
General revenues:								
Taxes								
Property taxes, levied for general purposes					7,176,106	-	7,176,106	-
Sales taxes					7,400,905	-	7,400,905	564,439
Intangible taxes					79,740	-	79,740	-
Insurance premium tax					739,001	-	739,001	-
Other general taxes					173,394	-	173,394	-
Grants not restricted to specific programs					4,451	-	4,451	-
Investment earnings					80,060	634	80,694	-
Miscellaneous					549,654	3,110	552,764	44,335
Special item - sale of capital assets					82,028	5,829	87,857	-
Transfers					307,983	(307,983)	-	-
Total general revenues, extraordinary items, and transfers					16,593,322	(298,410)	16,294,912	608,774
Change in net assets					(1,231,071)	(427,308)	(1,658,379)	(1,460,607)
Net assets - beginning - as previously reported					35,448,320	8,535,013	43,983,333	18,271,421
Prior period adjustment					-	3,462,005	3,462,005	-
Net assets - beginning as restated					35,448,320	11,997,018	47,445,338	18,271,421
Net assets - ending					$ 34,217,249	$ 11,569,710	$ 45,786,959	$ 16,810,814

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

DECATUR COUNTY, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Debt Service Fund	SPLOST 4	SPLOST 5	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 1,413,098	$ -	$ 172,444	$ 3,659,639	$ 438,421	$ 5,683,602
Taxes receivable, net	153,417	-	-	-	-	153,417
Due from other funds	7,813,914	-	-	-	212,880	8,026,794
Receivable from other governments	928,196	-	-	894,549	63,729	1,886,474
Other receivables	41,047	-	-	-	235,789	276,836
Inventories	15,775	-	-	-	-	15,775
Total assets	$ 10,365,447	$ -	$ 172,444	$ 4,554,188	$ 950,819	$ 16,042,898
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 282,372	$ -	$ -	$ 439,670	$ 11,183	$ 733,225
Due to other funds	1,680,350	-	2,782,582	616,405	304,919	5,384,256
Deferred revenue	83,926	-	-	-	235,789	319,715
Other accrued expenses	327,763	-	-	-	16,453	344,216
Other payables	136,168	-	-	-	-	136,168
Total liabilities	2,510,579	-	2,782,582	1,056,075	568,344	6,917,580
Fund balances:						
Nonspendable:						
Long-Term Interfund Receivable	2,610,138	-	-	-	-	2,610,138
Inventories	15,775	-	-	-	-	15,775
Restricted for:						
Capital Projects	-	-	-	3,498,113	-	3,498,113
Legal Reference Materials	-	-	-	-	55,466	55,466
Public Safety	-	-	-	-	113,532	113,532
Economic Development	-	-	-	-	306,707	306,707
Other Purposes	35,321	-	-	-	-	35,321
Committed to:						
Retirement	1,085,884	-	-	-	-	1,085,884
Unassigned	4,107,750	-	(2,610,138)	-	(93,230)	1,404,382
Total fund balances (deficit)	7,854,868	-	(2,610,138)	3,498,113	382,475	9,125,318
Total liabilities and fund balances	$ 10,365,447	$ -	$ 172,444	$ 4,554,188	$ 950,819	$ 16,042,898

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet
to the Statements of Net Assets
June 30, 2011

Total fund balance, governmental funds	$	9,125,318
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.		35,058,601
The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.		(1,009,686)
Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.		83,926
Pension net assets are not current financial resources and are not recognized at the fund financial reporting level but are reported in the governmental activities of the Statement of Net Assets.		306,728
Some liabilities, (such as Notes Payable, Capital Lease Contracts Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.		(9,347,638)
Net Assets of Governmental Activities in the Statement of Net Assets	$	34,217,249

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General Fund	Debt Service Fund	SPLOST 4	SPLOST 5	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 7,219,961	$ -	$ -	$ -	$ -	$ 7,219,961
Sales and miscellaneous taxes	3,740,224	2,116,553	-	2,706,439	-	8,563,216
Fees and fines	1,510,710	-	-	-	51,925	1,562,635
Licenses and permits	113,563	-	-	-	-	113,563
Intergovernmental	192,159	-	20,000	378,475	1,402,842	1,993,476
Charges for services	1,965,464	-	-	-	669,656	2,635,120
Investment earnings	79,924	-	5,014	72,241	4,271	161,450
Miscellaneous	294,526	-	-	-	-	294,526
Contributions and donations	-	-	-	-	16,651	16,651
Total Revenues	15,116,531	2,116,553	25,014	3,157,155	2,145,345	22,560,598
EXPENDITURES						
Current:						
General Government	1,504,481	-	-	-	13,094	1,517,575
Judicial	1,567,107	-	-	-	-	1,567,107
Public Safety	10,374,985	-	-	-	1,261,850	11,636,835
Public Works	1,846,102	-	-	-	-	1,846,102
Health and Welfare	522,654	-	-	-	-	522,654
Culture and Recreation	184,995	-	-	-	-	184,995
Housing and Development	665,553	-	-	-	716,162	1,381,715
Intergovernmental	-	-	-	2,628,805	-	2,628,805
Capital Outlay						
General Government	7,408	-	-	-	-	7,408
Judicial	1,331	-	-	-	-	1,331
Public Safety	247,444	-	98,243	182,171	47,087	574,945
Public Works	42,583	-	4,500	2,443,255	-	2,490,338
Culture and Recreation	14,660	-	-	-	-	14,660
Housing and Development	750	-	-	-	-	750
Debt Service:						
Principal	29,669	1,761,495	-	-	17,338	1,808,502
Interest and other charges	6,864	355,058	-	524	145	362,591
Total Expenditures	17,016,586	2,116,553	102,743	5,254,755	2,055,676	26,546,313
Excess (deficiency) of revenues over expenditures	(1,900,055)	-	(77,729)	(2,097,600)	89,669	(3,985,715)
OTHER FINANCING SOURCES (USES)						
Proceeds from capital leases	-	-	-	110,320	-	110,320
Transfers in	1,980,251	-	-	-	96,036	2,076,287
Transfers out	(96,036)	-	-	(1,527,088)	(145,180)	(1,768,304)
Total other financing sources (uses)	1,884,215	-	-	(1,416,768)	(49,144)	418,303
SPECIAL ITEM						
Proceeds from sale of assets	84,939	-	-	-	10,570	95,509
Net change in fund balances	69,099	-	(77,729)	(3,514,368)	51,095	(3,471,903)
Fund Balances (deficit) - beginning	7,785,769	-	(2,532,409)	7,012,481	331,380	12,597,221
Fund balances (deficit) - ending	$ 7,854,868	$ -	$(2,610,138)	$ 3,498,113	$ 382,475	$ 9,125,318

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Net Activities
For the Fiscal Year Ended June 30, 2011

Net change in fund balances - total governmental funds:	$	(3,471,903)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as an expense. The outlay is allocated over the assets useful life. This is the amount by which capital outlays $2,775,460 exceeded depreciation $1,941,394 in the current period.		834,066
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.		(59,956)
Governmental funds report capital lease proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of capital lease principal as an expenditure. In contrast, the Statement of Activities reports this as a reduction of liabilities on the Statement of Net Assets.		1,698,182
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		
Pension assets		18,640
Unamortized premium		42,626
Deferred charges		(34,688)
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and information technology, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		(258,038)
Change in net assets of governmental activities	$	(1,231,071)

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities-Enterprise Funds						
	Water and Sewer	Natural Gas	Airport	Ambulance Service	Landfill	Totals	Internal Service Funds
Assets							
Current Assets:							
Cash on hand and in banks	$ -	$ -	$ 41,731	$ 200	$ -	$ 41,931	$ 2,704
Accounts receivable	30,467	32,576	-	194,808	419,310	677,161	-
Prepaid insurance	-	-	-	-	-	-	57,704
Due from other funds	-	306,506	-	-	-	306,506	2,624,901
Total current assets	30,467	339,082	41,731	195,008	419,310	1,025,598	2,685,309
Noncurrent assets:							
Restricted assets:							
Cash and investments, at cost	90,729	-	-	-	-	90,729	-
Property, plant & equipment (net of accumulated depreciation)	3,169,512	61,102	3,864,751	269,407	9,384,714	16,749,486	8,021
Total noncurrent assets	3,260,241	61,102	3,864,751	269,407	9,384,714	16,840,215	8,021
Total Assets	3,290,708	400,184	3,906,482	464,415	9,804,024	17,865,813	2,693,330
Liabilities							
Current liabilities:							
Accounts payable	22,079	274	3,736	9,425	16,271	51,785	121,381
Accrued expenses	6,697	19,442	4,658	32,307	8,441	71,545	13,972
Due to other funds	620,176	83,012	401,197	660,807	265,620	2,030,812	3,543,132
Accrued interest-G.E.F.A.	10,305	-	-	-	-	10,305	-
Capital leases	-	-	-	18,052	182,610	200,662	-
Total current liabilities	659,257	102,728	409,591	720,591	472,942	2,365,109	3,678,485
Current liabilities payable from restricted assets:							
Revenue bonds	20,000	-	-	-	-	20,000	-
Total current liabilities payable from restricted assets	20,000	-	-	-	-	20,000	-
Noncurrent liabilities:							
Accrued closure/postclosure costs	-	-	-	-	3,170,294	3,170,294	-
Capital leases	-	-	-	-	590,236	590,236	-
Revenue bonds	175,000	-	-	-	-	175,000	-
Total noncurrent liabilities	175,000	-	-	-	3,760,530	3,935,530	-
Total Liabilities	854,257	102,728	409,591	720,591	4,233,472	6,320,639	3,678,485
Net Assets							
Investment in capital assets, net of related debt	2,974,512	61,102	3,864,751	251,355	8,611,868	15,763,588	8,021
Restricted for debt service	90,846	-	-	-	-	90,846	-
Unrestricted	(628,907)	236,354	(367,860)	(507,531)	(3,041,316)	(4,309,260)	(993,177)
Total Net Assets	$ 2,436,451	$ 297,456	$ 3,496,891	$ (256,176)	$ 5,570,552	11,545,174	$ (985,156)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						24,536	
Net assets of business-type activities						$ 11,569,710	

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds						
	Water and Sewer	Natural Gas	Airport	Ambulance Service	Landfill	Totals	Internal Service Funds
Operating Revenues							
Charges for services	$ 246,368	$ 383,543	$ 551,219	$ 861,980	$ 2,428,721	$ 4,471,831	$ 4,251,040
Rental income	-	-	6,600	-	-	6,600	-
Total Operating Revenue	246,368	383,543	557,819	861,980	2,428,721	4,478,431	4,251,040
Operating Expenses							
Personal services	208,548	18,982	111,417	1,024,205	217,303	1,580,455	519,935
Services and supplies	322,201	252,817	574,562	209,494	417,525	1,776,599	4,015,158
Allocated administration cost	36,484	20,079	60,336	99,213	94,672	310,784	-
Depreciation	82,560	4,063	235,866	88,799	612,959	1,024,247	4,812
Closure post - closure cost	-	-	-	-	274,081	274,081	-
Total Operating Expense	649,793	295,941	982,181	1,421,711	1,616,540	4,966,166	4,539,905
Operating Income (Loss)	(403,425)	87,602	(424,362)	(559,731)	812,181	(487,735)	(288,865)
Nonoperating Revenues (Expenses)							
Intergovernmental	-	-	344,660	73,276	-	417,936	-
Interest earned	634	-	-	-	-	634	52
Special Item - Gain (Loss) on disposal of assets	-	-	-	-	5,829	5,829	-
Other miscelaneous revenue	-	-	-	-	3,110	3,110	-
Interest expense	(10,750)	-	-	(2,137)	(15,327)	(28,214)	-
Total Nonoperating Revenues (Expenses)	(10,116)	-	344,660	71,139	(6,388)	399,295	52
Net Income before Transfers	(413,541)	87,602	(79,702)	(488,592)	805,793	(88,440)	(288,813)
Transfers							
Transfers in	-	-	-	13,964	1,513,124	1,527,088	-
Transfers out	-	-	-	-	(1,835,071)	(1,835,071)	-
Net transfers in (out)	-	-	-	13,964	(321,947)	(307,983)	-
Change in net assets	(413,541)	87,602	(79,702)	(474,628)	483,846	(396,423)	(288,813)
Net assets-beginning of the year (originally stated)	2,849,992	209,854	3,576,593	218,452	1,624,701	8,479,592	(696,343)
Prior period adjustment	-	-	-	-	3,462,005	3,462,005	-
Net assets-beginning of year as restated	2,849,992	209,854	3,576,593	218,452	5,086,706		(696,343)
Net assets - end of year	$ 2,436,451	$ 297,456	$ 3,496,891	$ (256,176)	$ 5,570,552		$ (985,156)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(30,885)	
Change in net assets - business-type activities						$ (427,308)	

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds						
	Water and Sewer	Natural Gas	Airport	Ambulance Service	Landfill	Totals	Internal Service Funds
Cash Flows from Operating Activities							
Cash received from customers	$ 247,915	$ 375,911	$ 558,576	$ 827,838	$ 2,445,922	$ 4,456,162	$ 4,251,040
Cash payments to suppliers for goods & services	(11,306)	(350,929)	(482,111)	264,497	(171,762)	(751,611)	(3,741,500)
Cash payments to employees for services	(206,610)	(18,982)	(111,417)	(1,016,020)	(217,303)	(1,570,332)	(518,590)
Net cash provided (used) by operating activities	29,999	6,000	(34,952)	76,315	2,056,857	2,134,219	(9,050)
Cash flows from Noncapital Financing Activities							
Transfers in (out)	-	-	-	13,964	(1,835,071)	(1,821,107)	-
Net cash provided (used) by noncapital financing activities	-	-	-	13,964	(1,835,071)	(1,821,107)	-
Cash Flows from Capital & Related Financing Activities							
Acquisition & construction of capital assets	-	(6,000)	(275,570)	(87,240)	(2,209,551)	(2,578,361)	-
Principal paid on revenue bonds & loans	(20,000)	-	-	-	-	(20,000)	-
Interest paid on revenue bonds & loans	(10,750)	-	-	-	-	(10,750)	-
Contributed capital	-	-	344,660	73,277	-	417,937	-
Transfers in from SPLOST fund	-	-	-	-	1,513,124	1,513,124	-
Proceeds from capital leases	-	-	-	-	620,975	620,975	-
Principal payments - capital leases	-	-	-	(74,179)	(246,840)	(321,019)	-
Proceeds from sales of capital assets	-	-	-	-	115,833	115,833	-
Interest paid on capital leases	-	-	-	(2,137)	(15,327)	(17,464)	-
Net cash provided (used) from Capital and related financing activities	(30,750)	(6,000)	69,090	(90,279)	(221,786)	(279,725)	-
Cash flows from Investing Activities							
Interest income	634	-	-	-	-	634	52
Net cash provided (Used) from investing activities	634	-	-	-	-	634	52
Net increase (decrease) in cash & cash equivalents	(117)	-	34,138	-	-	34,021	(8,998)
Cash & cash equivalents - beginning of year	90,846	-	7,593	200	-	98,639	11,702
Cash & cash equivalents - end of year	$ 90,729	$ -	$ 41,731	$ 200	$ -	$ 132,660	$ 2,704
Displayed as:							
Cash on hand and in banks	$ -	$ -	$ 41,731	$ 200	$ -	$ 41,931	$ 2,704
Restricted assets: Cash and investments, at cost	90,729	-	-	-	-	90,729	-
Totals	$ 90,729	$ -	$ 41,731	$ 200	$ -	$ 132,660	$ 2,704

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds						
Reconciliation of operating income to net cash provided by operating activities	**Water and Sewer**	**Natural Gas**	**Airport**	**Ambulance Service**	**Landfill**	**Totals**	**Internal Service Funds**
Operating income (loss)	$ (403,425)	$ 87,602	$ (424,362)	$ (559,731)	$ 812,181	$ (487,735)	$ (288,865)
Adjustments to reconcile operating income to net cash provided by operating activities							
Depreciation	82,560	4,063	235,866	88,799	612,959	1,024,247	4,812
Change in Assets & Liabilities:							
(Increase) decrease in accounts receivable	1,547	(7,798)	-	(34,142)	17,201	(23,192)	-
(Increase) decrease in prepaid insurance	-	-	-	-	-	-	(16,869)
Increase (decrease) in accounts payable	(9,232)	(751)	(27,011)	(509)	1,636	(35,867)	30,044
Increase (decrease) in accrued expenses	1,938	166	757	8,185	278,471	289,517	1,345
Increase (decrease) deferred compensation payable	-	-	-	-	-	-	-
(Increase) decrease in due from other funds	356,611	(77,282)	179,798	573,713	334,409	1,367,249	260,483
Net cash provided (used) by operating activities	$ 29,999	$ 6,000	$ (34,952)	$ 76,315	$ 2,056,857	$ 2,134,219	$ (9,050)

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011

ASSETS

Cash	$ 663,343
Receivables	423,502
Total Assets	$ 1,086,845

LIABILITIES

Due to other agencies	$ 754,206
Due to others	332,639
Total Liabilities	$ 1,086,845

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Net Assets
Component Units
June 30, 2011

	Hospital Authority of Bainbridge, Decatur County, GA March 31, 2011	Decatur County Health Department June 30, 2011	Totals
Assets			
Cash	$ 360,365	$ 818,323	$ 1,178,688
Accounts receivable - less allowance for uncollectible	7,193,260	-	7,193,260
Other receivables	624,417	-	624,417
Due from DCH	-	212,412	212,412
Inventories	523,069	-	523,069
Prepaid expenses	342,985	-	342,985
Total current assets	9,044,096	1,030,735	10,074,831
Assets limited as to use:			
Internally designated for capital improvements	2,250,766	-	2,250,766
Internally designated for self-insurance	716,605	-	716,605
By donor for nursing home	25,000	-	25,000
Total assets limited as to use	2,992,371	-	2,992,371
Property, plant and equipment, net	12,453,120	23,785	12,476,905
Notes receivable	170,318	-	170,318
Total assets	$ 24,659,905	$ 1,054,520	$ 25,714,425
Current liabilities:			
Current installments of long-term debt	$ 312,849	$ -	$ 312,849
Accounts payable, trade	3,237,981	35,576	3,273,557
Accrued liabilities	2,829,744	6,920	2,836,664
Due to DCH	-	59,506	59,506
Estimated third party payer settlement	231,489	-	231,489
Total current liabilities	6,612,063	102,002	6,714,065
Compensated absences	-	62,279	62,279
Long-term debt, excluding current installments	2,127,267	-	2,127,267
	2,127,267	62,279	2,189,546
Total liabilities	8,739,330	164,281	8,903,611
Net assets:			
Invested in capital assets, net of related debt	10,020,691	23,785	10,044,476
Restricted	44,333	428,695	473,028
Unrestricted	5,855,551	437,759	6,293,310
Total net assets	15,920,575	890,239	16,810,814
Total liabilities and net assets	$ 24,659,905	$ 1,054,520	$ 25,714,425

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2011

Activities:	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Hospital Authority	Net (Expenses) Revenues and Changes in Net Assets: Health Department	Total
Component units:						
Hospital Authority of Bainbridge, Decatur County, Georgia	$ 39,165,452	$ 37,148,681	$ -	$ (2,016,771)	$ -	$ (2,016,771)
Decatur County Health Department	1,777,280	474,732	1,249,938	-	(52,610)	(52,610)
Total component units	$ 40,942,732	$ 37,623,413	$ 1,249,938	(2,016,771)	(52,610)	(2,069,381)
General Revenues:						
Sales taxes				564,439	-	564,439
Other				44,335	-	44,335
Total General Revenues				608,774	-	608,774
Change in Net Assets				(1,407,997)	(52,610)	(1,460,607)
Net assets - beginning				17,328,572	942,849	18,271,421
Net assets - ending				$ 15,920,575	$ 890,239	$ 16,810,814

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

The accounting methods and procedures adopted by Decatur County, Georgia conformed to generally accepted accounting principles as applied to governmental entities. The following Notes to the Financial Statements are an integral part of Decatur County, Georgia's Financial Statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

Decatur County, Georgia was incorporated under the provisions of the basic Charter Act of the Laws of 1823 of the State of Georgia. The Board of Commissioners is the legislative body for Decatur County. There are six elected County Commissioners. There are six elected Constitutional Officers which are: Tax Commissioner, Clerk of Court, Judge of Magistrate Court, Judge of Probate Court, Coroner, and Sheriff. The Board of Commissioners' budget provides all funding used by the separate Constitutional Officers. The operations of the County as a whole, including Constitutional Officers, have been combined in these financial statements. As required by generally accepted accounting principles, as set forth in GASB Statement No. 14, "The financial reporting entity," the financial statements of the reporting entity include those of Decatur County, Georgia (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationship with the County.

COMPONENT UNITS

In conformity with generally accepted accounting principles, the Financial Statements of the following component units have been included in the Financial Reporting Entity.

Blended Component Unit

The Law Library is a legally separate entity governed by a Board of Trustees as established by State statutes. The County governing authority must furnish necessary space, lights, heat, and water, for the maintenance of the Law Library. All law books, reports, texts, and periodicals purchased by the Board of Trustees become property of the County. Because the Law Library provides services exclusively or almost exclusively to the primary government and it would be misleading to exclude it, the County has reported the Law Library as a blended component unit (a special revenue fund). Separate financial statements for the Law Library are not prepared.

Discretely Presented Component Units

The component unit column in the government-wide financial statements includes the financial data of the Decatur County Health Department and Hospital Authority of Bainbridge, Decatur County, Georgia. These component units are reported in a separate column to emphasize that they are legally separate from the County.

The County Board of Health provides health services to the citizenry of Decatur County, Georgia. The County Board of Health is a legally separate entity. The Board of Commissioners of Decatur County appoints a voting majority of the Board of Health in accordance with Georgia Laws O.C.G.A. 31-3-2. The County has the ability to impose its will on the Board of Health in accordance with Georgia Laws O.C.G.A. 31-3-14.

The Hospital Authority of Bainbridge, Decatur County, Georgia is a legally separate entity. The Authority was created by the City of Bainbridge and Decatur County, Georgia governing bodies on June 2, 1951, in accordance with provisions of State statutes (Chapter 99-15 of the 1933 Code of Georgia and amendments thereto). The County appoints a voting majority of the members to the Board of the Hospital Authority. Complete Financial Statements for the Decatur County Board of Health and the Hospital Authority of Bainbridge, Decatur County, Georgia may be obtained at the offices of Decatur County, Georgia.

Related Organizations

The following is a list of related organizations for which Decatur County appoints one or more of the Board of Directors:

- Southwest Georgia Regional Commission
- Bainbridge-Decatur County Development Authority
- Tri Rivers Development Authority
- Library Board
- Board of Family and Children's Services
- Board of Tax Assessors
- Southwest Georgia Community Action Council
- Decatur/Grady 911 Advisory Board

These organizations are not financially accountable to Decatur County because the County does not impose its will or have a financial benefit or burden relationship with the organization.

The County also appropriates funds to aid in the operation of several independently run non-profit organizations. These operations are as follows:

Sheriff's Rescue Unit
Blackjack Volunteer Fire Department
Climax Volunteer Fire Department
Fowlstown Volunteer Fire Department
Mt. Pleasant Volunteer Fire Department
Mental Health Center
Recovery Volunteer Fire Department
Bainbridge-Decatur County Chamber of Commerce
Attapulgus Volunteer Fire Department
Brinson Volunteer Fire Department
Faceville Volunteer Fire Department
Kendrick Volunteer Fire Department
97 South Volunteer Fire Department
Family Connections
Stepping Stones, Inc.

Joint Ventures

Decatur County, in conjunction with cities and counties in the fourteen (14) county Southwest Georgia area are members of the Southwest Georgia Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-32 provides for the organizational structure of the RC's. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The RC Council membership is defined in State Law O.C.G.A. Section 50-8-34 and specifies that the chief elected official of the County governing authority be a member of the Council.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-32) defines RCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources. (O.C.G.A. 50-8-39)

Complete financial statements for Southwest Georgia RC can be obtained from the RC office at P.O. Box 346, 30 West Broad Street, Camilla, Georgia 31730-0346 or from the county clerk's office at the courthouse annex.

On April 6, 1993 Decatur County, Georgia and Grady County, Georgia entered into an agreement to implement a 911 system. The revenue and expenditures of operating the joint venture are recorded in each county's accounting records based on the agreement. Separate financial statements are not issued for the E911 joint venture. Financial information can be obtained from Decatur County and Grady County, Georgia.

Decatur County, Georgia does not participate in any other joint venture arrangements.

B. **Basic Presentation**

Government-wide Statements: The Statement of Net Assets and the Statement of Activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this

definition are reported as non-operating expenses.

The County reports the following major governmental funds:

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

SPLOST Debt Service Fund – The SPLOST Debt Service Fund is used to record the funding and payment of principal and interest on certain general long term debt not accounted for in other funds.

SPLOST 4 & 5 Capital Projects Funds – These capital projects funds are established to account for all Special Purpose Local Option Sales Tax revenues as well as the specifically identified projects for which the SPLOST tax was established.

The County reports the following major enterprise funds:

Landfill Fund – This fund accounts for the operation and maintenance of the County's landfill.

Ambulance Service Fund – This fund accounts for the operation and maintenance of the County's Emergency Medical Services (ambulance service) for the County.

Water and Sewer Fund – This fund accounts for the operation and maintenance of the County's water and sewer facilities.

Airport Fund – This fund accounts for the operation and maintenance of the County's airport.

Gas Fund – This fund accounts for the operation and maintenance of the County's gas system.

The County reports the following fund types:

Internal Service Funds – These funds account for various services provided to other departments and funds of the County.

Agency Funds – These funds account for monies held by the County in a trustee capacity or as an agent on behalf of individuals, private organizations, other governments, and/or other funds. The following are the agency funds of the County at June 30, 2011: Tax Commissioner, Probate Court, Clerk of Superior Court, and Magistrate Court.

C. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is

recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

D. Encumbrances

There were no material purchase orders, contracts, or other commitments at year-end, which should have been encumbered.

E. Cash and Investments

Cash and cash equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and money market accounts, which are available on demand or have a maturity of three months or less. In addition, because the Georgia Fund 1 pooled cash is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

All of these accounts are considered cash equivalents for the purpose of the Statement of Cash Flows.

Investments

Investments are recorded at cost plus accrued interest, which approximates market value. See Note 2 for further information regarding investments.

F. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectibles.

G. Capital Assets

Capital assets, which include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond one year are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Buildings, except these that are an ancillary part of a network of infrastructure assets, will not be considered infrastructure assets. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The standard capitalization thresholds for capitalizing assets for each major class of assets established by the Decatur County Board of Commissioners are detailed below:

Class of Asset	Capitalization Threshhold	Control Threshold
Land/Land Improvements	Capitalize All	All
Building/Building Improvements	$ 5,000	$ 500
Facilities and Other Improvements	5,000	500
Infrastructure	100,000	100,000
Equipment	5,000	500
Furniture	5,000	500
Vehicles, Boats, and Aircraft	5,000	500
Software (developed or purchased)	5,000	500
Library Books/Materials (collections)	Capitalize All	All
Works of Art/Historical Treasures	Capitalize All	All
Leasehold Improvements	5,000	5,000

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed. There were not any constructed projects with capitalized interest in the business-type activities for the year ended June 30, 2011.

Capital assets are depreciated over their estimated useful lives unless they are inexhaustible. Inexhaustible assets such as land improvements are not depreciated.

Depreciation is reported in the government-wide statement of activities; the proprietary fund statement of revenues, expenses and changes in fund net assets; and the statement of changes in fiduciary net assets.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Assets Class	Estimated Useful Lives
Buildings/Building Improvements	20-50 years
Facilities and Other Improvements	10-50 years
Infrastructure	20 years
Equipment	3-12 years
Furniture & Fixtures	7 years
Vehicles	6-12 years

H. Inventories and Prepaid Items

Primary Government

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of governmental fund-type inventories are recorded as expenditures when purchased (the purchase method) at the individual fund level. Inventories are recorded using the consumption method for proprietary fund-type inventories at the fund level. For governmental and business-type activities in the government-wide financial statements inventories are reported using the consumption method.

Certain payments to vendors reflect cost applicable to future accounting periods and are reported as prepaid items in both government-wide and fund financial statements.

I. Budget and Budgetary Accounting

Listed below is a summary of the procedures followed by the County in establishing the budgetary data reflected in the budgetary comparison schedule:

At least three months prior to year end the County Administrator and Department Heads begin work on the proposed operating budget for the coming fiscal year;

Approximately thirty days prior to year end, the proposed operating budget is submitted to the County Commissioners. The budget was adopted on July 29, 2010. The budget includes proposed expenditures and the means of financing them;

Public Hearings are conducted to obtain taxpayer comments;

The budget is legally enacted through passage of a resolution;

Department Heads are restricted to budgeted amounts by line item;

The County adopts a General Fund budget that provides for most of the appropriations of the governmental activities of the County. The County adopts budgets for special revenue and debt service funds as required by Georgia law. These budgets are not adopted on a basis consistent

with generally accepted accounting principles. Budgets are prepared for the enterprise funds as a management control device. Budgets for capital projects are prepared for the project life rather than for the current fiscal year. Project appropriations for these budgets do not lapse at the end of each fiscal year but rather at the conclusion of the project.

All appropriations (except Capital Project Funds' appropriations) lapse at year-end. There were no material purchase orders, contracts, or other commitments, which were encumbered, because the County does not use encumbrance accounting.

Capital Projects Funds use project budgeting.

Fiduciary type funds are agency funds and budgets are not prepared for these funds.

The legal level of budgetary control is at the department level.

J. Compensated Absences

Annual Leave

Standard - It is the policy of the County that all full-time, regular employees be provided time for rest and relaxation. For this reason, employees are encouraged to take their full allotment of annual leave each year as provided under this policy. Leave is accounted for on a calendar year basis.

Eligibility – All full-time, regular employees earn annual leave on a bi-weekly basis, in proportion to the length of continuous employment. After completion of one-month of employment, annual leave is accrued as follows:

Paid Time Off System

The Paid Time Off System sets up two Paid Time Off accounts for each employee, as of January 1. The first is a Paid Time Off "bank" with a specific number of days that the employee can take off during the year for any reason (i.e., vacation, personal, sick, care of a sick child, etc.). The second "bank" is a Sick Day Bank to be used in the event of an extended illness or other disabling condition. Regular part-time employees are eligible for Paid Time Off days and Sick Day Bank accumulations proportionate to the hours that they work.

Benefits-eligible staff are eligible for a set number of Paid Time Off days each year, as of January 1, according to years of service. Calculations and eligibility for the current calendar year are determined as follows:

For those newly employed in January: 11 days
For those newly employed in February: 10 days
For those newly employed in March: 9 days
For those newly employed in April: 8 days
For those newly employed in May: 7 days
For those newly employed in June: 6 days
For those newly employed in July: 5 days
For those newly employed in August: 4 days
For those newly employed in September: 3 days

For those newly employed in October: 2 days
For those newly employed in November: 1 day
For those newly employed in December: none

For employees hired the previous calendar year, the following PTO schedule applies:

For those employed prior to January 1 with less than 3 years service: 15 days
For those employed prior to January 1 with at least 3 years service, but less than 10 years service: 20 days
For those employed prior to January 1 with at least 10 years service, but less than 20 years service: 25 days
For those employed prior to January 1 with 20 or more years of service: 30 days

Paid Time Off General Rules

1. Every effort is made to approve PTO requests. Work requirements and supervisor approval may deny or change the request.
2. All PTO schedules must be approved in advance by the employee's immediate supervisor, except in cases of unforeseen illness or emergency. In cases of unforeseen illness or emergency an employee is given 3 PTO days with no requirement for a doctor's excuse or documentation of emergency. All other PTO days related to unforeseen illness or emergency require an excuse from a physician or documentation of incident.
3. No pay is given in lieu of accrued PTO days except upon retirement or voluntary termination with proper notice.
4. PTO days earned during the year (January 1 – December 31) shall be taken during that calendar year.
5. Unused PTO days are transferred over and become part of an employee's Sick Day Bank on January 1.
6. Holidays observed by Decatur County, which occur during the employee's PTO leave, are not counted as part of their PTO allotment.
7. Absences that exceed an employee's yearly allotment of PTO days are unpaid. Only in cases of a bona fide emergency should the need to take unpaid time off occur.
8. Employees using excessive amounts of unscheduled time off are counseled and may be subject to corrective action.
9. Family & Medical Leave absences would run concurrently with PTO leave, if applicable.
10. PTO days may be scheduled in whole or half days, but not less than half days.
11. PTO, in most cases, does not accrue during periods when the employee is in "out of pay" status for more than two weeks.
12. In the event that a conflict exists between employees who request the same leave request, approval will be based on Decatur County's needs and/or the first request received and/or seniority.
13. PTO may be denied based upon the needs of Decatur County.
14. PTO availability does not guarantee employment with Decatur County.

Paid Time Off Termination Benefits

When employment voluntarily terminates, with proper notice, regular employees are reimbursed for unused accrued PTO days. The percentage of unused PTO days for which employees are paid is based on the month in which the employee terminates at a rate of 1/12 for each month

worked, minus the days already taken. Staff, not giving proper notice, are not eligible for earned PTO not taken. The month during which an employee terminates is counted as a full month. If an employee has taken more than the allotted percentage of PTO days, that portion of ineligible PTO days are deducted from the final paycheck. No pay is given for accumulated Sick Day balances. During the Introductory Period, PTO termination benefits are not applicable and no pay is given.

Sick Leave

Standard – Sick Leave is given to employees only for valid reasons. It is designed to meet necessary, emergency conditions of illness. Each department head has the authority to approve or disapprove sick leave applications.

Eligibility

Sick Day Bank – A Sick Day Bank is provided by the County in order that income may be continued in the event of the employee's own short-term illness caused by a non-job related illness, accident, or other incapacity (including pregnancy) that continues for more than five consecutive working days. Certain sick leave may also qualify under the Family & Medical Leave Act (FMLA). In such cases, sick leave and FMLA leave would run concurrently.

Sick Day Bank Eligibility/Accrual

After an employee has been absent from work because of a disabling condition for more than five consecutive days, he/she is eligible to draw from Sick Day Bank upon presentation of a physician's statement verifying the existence and approximate duration of the disabling condition. 100% of an employee's income will continue provided the employee has accumulated sufficient sick leave to cover their illness. Extended use of Sick Day Bank is contingent upon receiving certification by a physician that the employee remains disabled.

Once an employee qualifies for days in his/her Sick Day Bank, the initial five-day absence and all subsequent, consecutive absences (no break in time can occur) related to that same disabling condition will be charged against the accumulated Sick Day Bank, not the PTO Bank.

- All full-time employees will be credited one day per month (equal to twelve sick days per year) into their Sick Day Bank.
- The Sick Day Bank may accumulate up to a maximum of 130 working days.
- No pay is given in lieu of sick leave.
- Regular part time employees accumulate a Sick Day Bank proportionate to their hours worked.
- Sick leave may not be used if the employee becomes ill or injured, while on Paid Time Off. Advanced use of sick leave is not permissible.
- Sick leave does not accrue during periods when the employee is in "out of pay" status for more than two weeks.
- Employees continuing to work while sick may be ordered home at the discretion of the Department Head.
- Upon termination, employees are not paid for unused Sick leave.

- When rehired with the County, there is no past service sick leave bank accrual provided. Sick leave availability does not guarantee employment with Decatur County.

The General Fund has been used to liquidate compensated absences, unless associated with a specific proprietary or special revenue fund, in prior years.

K. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable bond covenants. The "revenue bond debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond retirement" account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account. The "revenue bond contingency (renewal and extension)" account is used to report resources set aside to meet renewals and replacements.

L. Ambulance Service Fund - Bad Debts

Receivables of the Ambulance Service Fund, which are more than six months old, are considered uncollectible. This policy was adopted by the County due to Medicare payment policies and regulations and past historical collection data of the Ambulance Service Fund receivables.

M. 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 assets.”

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:

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

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

- *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 County Commission through the adoption of a resolution. The County Commission also may modify or rescind the commitment.

- *Assigned* – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commissioners have authorized the County's finance committee or the County's finance director to assign fund balances.

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

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

- Committed
- Assigned
- Unassigned

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

The County applies restricted resources first when an expense in incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE 2 - DEPOSITS AND INVESTMENTS

Primary Government

All bank balances of deposits as of the balance sheet date are entirely insured or collateralized with securities held by the County or by its agent on the County's behalf.

State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by Georgia law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia; and additionally, certificates of deposits, now accounts and money market accounts of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such investment shall be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to 110 percent of funds on deposit at the institution.

The County's investment policy is to invest only in the type of investments that are legally authorized by state statues. As of June 30, 2011 all funds invested by the County were in the local government investment pool and identified in the financial statements as pooled cash.

The County participates in the State of Georgia Local Government Investment pool - "Georgia Fund 1". The Georgia Fund 1 state investment pool is not registered with the Securities and Exchange Commission ("SEC"), but does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the County's investments in the Georgia Fund 1 have been determined based on the pool's share price.

"Georgia Fund 1", created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard, and Poor's criteria for AAAm rated money market funds. However, Georgia Fund 1 operates in manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity, and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share.

Investments (Pooled Cash) are recorded at cost plus accrued interest, which approximates market value.

The County had $147,514 invested in the State of Georgia Local Government Investment Pool (Georgia Fund 1) as of June 30, 2011. Georgia Fund 1 is managed under the policies included in Georgia Law (O.C.G.A. 36-83-4).

The entire portfolio, including the County's pro-rata portion, consists of collateralized certificates of deposit and government or governmental agency securities owned outright and under agreement to resell. The title to all investments, including collateral pledged to secure certificates of deposit, is held in the custody of the Director, Fiscal Division, Office of Treasury and Fiscal Services, State of Georgia in accordance with Georgia law. Since these investments are not evidenced by securities that exist in physical or book entry form; they are not classified by category or credit risk. Additionally, no indication of the level of risk has been provided because these investments are in pools managed by other governments or by other agents.

NOTE 3 - PROPERTY TAX CALENDAR

For fiscal year ending June 30, 2011, property taxes were levied on September 14, 2010, and were due and payable at that time. All unpaid taxes levied on September 14, 2010, became delinquent on December 21, 2010, and attached as an enforceable lien on property as of that date.

Property tax revenues are recognized in the fiscal period for which they are levied and when they become available.

Property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Such time thereafter does not exceed 60 days.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

Primary Government

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 4,842,314	$ -	$ -	$ 4,842,314
Land under roads	1,254,366	-	-	1,254,366
Construction in progress	109,328	1,497,754	63,377	1,543,705
Total capital assets not being depreciated	6,206,008	1,497,754	63,377	7,640,385
Capital assets being depreciated:				
Automobiles	2,164,685	214,632	195,438	2,183,879
Buildings	20,111,180	213,154	-	20,324,334
Infrastructure	20,081,850	595,214	-	20,677,064
Camera/security equipment	66,887	40,437	-	107,324
Computers	173,952	-	-	173,952
Capital asset software	52,341	-	-	52,341
Cooler	8,820	-	-	8,820
Fire equipment	2,688,315	36,487	-	2,724,802
Food service equipment	195,803	-	-	195,803
Fixtures	199,440	13,705	-	213,145
Heavy equipment	3,922,338	274,074	157,927	4,038,485
Laundry equipment	72,259	-	-	72,259
Machinery	289,997	23,867	-	313,864
Radios	6,255	-	-	6,255
Miscellaneous equipment	22,050	6,598	-	28,648
Office equipment	590,148	-	-	590,148
Total capital assets being depreciated	50,646,320	1,418,168	353,365	51,711,123
Less accumulated depreciation for:				
Automobiles	1,379,356	179,682	181,958	1,377,080
Buildings	6,440,431	450,874	-	6,891,305
Infrastructure	9,441,839	766,583	-	10,208,422
Camera/security equipment	26,807	9,674	-	36,481
Computers	70,767	15,895	-	86,662
Capital asset software	52,341	-	-	52,341
Cooler	5,954	882	-	6,836
Fire equipment	2,223,341	162,784	-	2,386,125
Food service equipment	84,622	16,980	-	101,602
Fixtures	152,629	8,756	-	161,385
Heavy equipment	2,062,845	252,207	94,323	2,220,729
Laundry equipment	43,137	7,294	-	50,431
Machinery	221,599	19,599	-	241,198
Radios	4,330	626	-	4,956
Miscellaneous equipment	7,225	2,624	-	9,849
Office equipment	397,737	51,747	-	449,484
Total Accumulated Depreciation	22,614,960	1,946,207	276,281	24,284,886
Governmental activities capital assets, net	$ 34,237,368	$ 969,715	$ 140,461	$ 35,066,622

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Business-type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 107,128	$ -	$ -	$ 107,128
Construction in Progress	-	1,545,357	-	1,545,357
Total capital assets not being depreciated	107,128	1,545,357	-	1,652,485
Capital Assets being depreciated:				
Buildings	2,437,198	-	-	2,437,198
Structures & Improvements	15,902,596	211,876	-	16,114,472
Machinery & Equipment	3,530,723	733,889	206,892	4,057,720
Automobile Equipment	1,136,198	87,240	71,750	1,151,688
Office Furniture & Fixtures	24,298	-	-	24,298
Total capital assets being depreciated:	23,031,013	1,033,005	278,642	23,785,376
Less accumulated depreciation for:				
Buildings	1,381,130	44,334	-	1,425,464
Structures & Improvements	3,293,286	627,342	-	3,920,628
Machinery & Equipment	2,196,824	272,108	99,999	2,368,933
Automobile Equipment	940,335	80,463	71,749	949,049
Office Furniture & Fixtures	24,300	-	-	24,300
Total accumulated depreciation	7,835,875	1,024,247	171,748	8,688,374
Business-type activities capital assets being depreciated, net	15,195,138	8,758	106,894	15,097,002
Business-type activities capital assets, net	$ 15,302,266	$ 1,554,115	$ 106,894	$ 16,749,487

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The "invested in capital assets, net of related debt" amount as reported on the government-wide statement of net assets for the governmental and business-type activities as of June 30, 2011 is as follows:

Invested in capital assets, net of related debt:	Governmental Activities	Business Type Activities
Cost of capital assets	$ 59,351,508	$ 25,437,861
Less accumulated depreciation	(24,284,886)	(8,688,374)
Book value	35,066,622	16,749,487
Less capital related debt	(9,486,388)	(985,898)
Add unspent bond proceeds	121,090	-
Less deffered refunding amounts and bond premiums and discounts	(74,378)	-
Invested in capital assets, net of related debt	$ 25,626,946	$ 15,763,589

Depreciation expense was charged to the governmental functions as follows:

General government	$ 192,272
Judicial	368
Public Safety	586,930
Public Works	914,906
Health & Welfare	20,593
Housing & Development	128,137
Recreation	98,189
Internal Service Funds	4,812
Total governmental depreciation expense:	$ 1,946,207

NOTE 5 – LONG-TERM OBLIGATIONS

USDA Note Payable

Only July 14, 2009, Decatur County entered into a debt agreement with USDA Rural Development for the purpose of purchasing patrol vehicles for the Sheriff Department. The County borrowed $161,500 at an interest rate of 4.25% which will be repaid in five yearly payments of $36,533. Below is a summary of future maturities of the long-term note payable to USDA Rural Development. In addition, Decatur County received a grant from the USDA Rural Housing Service for $28,500 to help fund the purchase of the vehicles, but it is not required to be repaid.

GEFA Note

In 2009, the County entered into a loan agreement with the Georgia Environmental Facilities Authority in the amount of $ 3,000,000 to be used to contribute to the Silver Lake Property. The interest rate on this note is 3 % to be repaid in 240 monthly payments of $16,637.93. This loan is to be repaid using SPLOST V proceeds.

Series 1979 Bonds

On August 10, 1976, Decatur County adopted an ordinance authorizing the issuance of Series 1979 Bonds totaling $505,000 at a rate of 5%. The purpose of these bonds was in part, to finance the cost of the improvements to the water and sewer System of the Industrial Park. The Series 1979 Bonds are dated December 19, 1979; the principal becoming due serially on December 1st of each year, and interest is payable on December 1st of each year.

The Series 1979 Bonds are secured by revenues of the water and sewer systems of Decatur County. The County may issue additional revenue bonds, ranking on parity as to lien on net revenues of the system, and other restrictions as outlined in Article II of the Bond Resolution.

Series 2009 Bonds

On March 19, 2009, Decatur County issued $8,455,000 of General Option Sales Tax Bonds for the purpose of funding various projects as described in the SPLOST referendum. The County had to pay issuance cost of $ 208,126. These deferred charges are being amortized over the life of the debt (6 years) using the straight line method. The 2009 General Obligation Bond issue has a premium associated with the issuance of the Series. The premium will be amortized over the life of the bond issue. The balance of this premium at fiscal year end was $170,503.

Bonds will bear interest as set forth below:

Year	Principal Amount	Interest Rate
2010	$ 1,300,000	3%
2011	1,350,000	3%
2012	1,385,000	3%
2013	1,425,000	3%
2014	1,470,000	4%
2015	1,525,000	4%
	8,455,000	
Add: Unamortized Premium	255,755	
	$ 8,710,755	

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NOTE 5 - LONG-TERM OBLIGATIONS - Continued

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2011 are as follows:

	Beginning of Year - as restated	Increases	Decreases	End of Year	Due within One Year
Governmental activities:					
Revenue Bonds Payable	$ 7,155,000	$ -	$ 1,350,000	$ 5,805,000	$ 1,385,000
Add deferred amounts					
Unamortized premium	213,129	-	42,626	170,503	-
Total bonds payable	7,368,129	-	1,392,626	5,975,503	1,385,000
Capital Lease Obligations	913,632	110,320	311,090	712,862	259,808
GEFA Note Payable	2,783,935	-	117,743	2,666,192	121,198
USDA Note Payable	161,500	-	29,669	131,831	30,930
Sub-total-Governmental activities	11,227,196	110,320	1,851,128	9,486,388	1,796,936
Business-type activities:					
Water and Sewer Fund					
Revenue Bonds Payable	215,000	-	20,000	195,000	20,000
Sub-totals-Water & Sewer Fund	215,000	-	20,000	195,000	20,000
Landfill Fund					
Accrued closure/postclosure cost-Old Landfill	* 845,223	8,452	-	853,675	-
Accrued closure/postclosure cost-New Landfill	2,050,991	265,628	-	2,316,619	-
Capital Leases	398,711	620,975	246,840	772,846	182,610
Sub-total-Landfill Fund	3,294,925	895,055	246,840	3,943,140	182,610
EMS Fund					
Capital Leases	92,231	-	74,179	18,052	18,052
Sub-total-EMS Fund	92,231	-	74,179	18,052	18,052
Sub-total-Business-type activities	3,602,156	895,055	341,019	4,156,192	220,662
Total all long-term debt	$ 14,829,352	$ 1,005,375	$ 2,192,147	$ 13,642,580	$ 2,017,598

*In the current year, the Georgia Environmental Protection Division altered its valuation of post closure costs for the Old Landfill. Beginning accrued closure/postclosure costs have been restated and reduced by $3,462,005 to reflect this change.

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities	Landfill Fund	EMS Fund
Machinery and equipment	$ 2,370,455	$ 2,622,758	$ 94,995
Less: Accumulated depreciation	(1,106,775)	(1,271,796)	(58,580)
Total	$ 1,263,680	$ 1,350,962	$ 36,415

Debt service requirements on long-term debt at June 30, 2011 are as follows:

	Governmental Activities Capital Leases		
Year Ending June 30	Principal	Interest	Totals
2012	259,808	24,338	284,146
2013	245,667	15,947	261,614
2014	138,285	4,882	143,167
2015	59,058	1,179	60,237
2016	10,044	104	10,148
Totals	$ 712,862	$ 46,450	$ 759,312

	Business-Type Activities Captial Leases		
Year Ending June 30	Principal	Interest	Totals
2012	200,662	18,026	218,688
2013	173,595	13,663	187,258
2014	178,456	8,801	187,257
2015	150,887	4,088	154,975
2016	87,298	812	88,110
Totals	$ 790,898	$ 45,390	$ 836,288

	Governmental Activities - USDA Note Payable		
Year Ending June 30	Principal	Interest	Totals
2012	30,930	5,603	36,533
2013	32,245	4,288	36,533
2014	33,615	2,918	36,533
2015	35,041	1,492	36,533
Totals	$ 131,831	$ 14,301	$ 146,132

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Year Ending June 30	Water and Sewer - Revenue Bonds		
	Principal	Interest	Totals
2012	$ 20,000	$ 9,750	$ 29,750
2013	20,000	8,750	28,750
2014	20,000	7,750	27,750
2015	25,000	6,750	31,750
2016	25,000	5,500	30,500
2017	25,000	4,250	29,250
2018	30,000	3,000	33,000
2019	30,000	1,500	31,500
Totals	$ 195,000	$ 47,250	$ 242,250

Year Ending June 30	General Obligation SPLOST Bonds		
	Principal	Interest	Totals
2012	$ 1,385,000	$ 204,100	$ 1,589,100
2013	1,425,000	162,550	1,587,550
2014	1,470,000	119,800	1,589,800
2015	1,525,000	61,000	1,586,000
	5,805,000	$ 547,450	$ 6,352,450
Add: Unamortized Premium	170,503		
	$ 5,975,503		

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NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Ending June 30	Governmental Funds - GEFA Note - Silver Lake Project		
	Principal	Interest	Totals
2012	$ 121,198	$ 78,457	$ 199,655
2013	125,132	74,522	199,654
2014	128,816	70,838	199,654
2015	132,734	66,920	199,654
2016	136,670	62,984	199,654
2017	141,025	58,629	199,654
2018	145,217	54,437	199,654
2019	149,634	50,020	199,654
2020	154,113	45,541	199,654
2021	159,020	40,634	199,654
2022	163,804	35,851	199,655
2023	168,773	30,883	199,656
2024	173,891	25,763	199,654
2025-2028	766,165	49,233	815,398
Totals	$ 2,666,192	$ 744,712	$ 3,410,904

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The following is a summary of capitalized lease obligations:

Governmental Activities:

Purpose	Original Amount	Payment Amounts	Interest Rate	Payments	Minimum Lease Payments	Net Present Value
Regions Equipment Finance Corp. Lease-Purchase Contract on 2 2007 Mack Dump Trucks SN: 1MAT13C27M002421 &1MAT13C07M002420	$ 199,990	$ 4,531	4.17%	48	$ 13,593	$ 13,250
Caterpillar Financial Services Corporation Lease-Purchase Contract on Medel 12H Motor Grader SN: AMZ01331	43,000	801	4.45%	60	10,411	10,143
BancorpSouth Equipment Finance. Lease-Purchase Contract on CAT 140 M Motor Grader SN: B9D01811	135,000	2,453	3.45%	60	85,848	81,561
Deere Credit, Inc. Lease-Purchase Contract on Crawler Dozier SN: LU950JX009566	275,000	4,881	2.50%	60	117,131	114,137
Regions Equipment Finance Corp. Lease-Purchase Contract on Fire Truck VIN # 1FVACXBS3BHZ44640	149,846	2,061	4.19%	84	86,576	80,397
Regions Equipment Finance Corp. Lease-Purchase Contract on 12M Motor Grader, 08 Int. Model 7400 and 330 DL Excavator	202,427	4,113	4.12%	84	111,060	105,712
First Continental Leasing a division of BancorpSouth Bank Lease-Purchase Contract on 140 m Motor Grader SN: B9M00605	94,100	1,710	3.45%	54	54,734	45,933
Deere Credit, Inc. Lease-Purchase Contract on 670G Motor Grader SN: 1DW670GXEA0630094	71,000	1,274	2.95%	60	61,163	56,492
BancorpSouth Equipment Finance. Lease-Purchase Contract on JD 670 G Motor Grader SN: DW670GX626441	159,683	2,901	3.45%	60	113,153	106,893
BancorpSouth Equipment Finance. Lease-Purchase Contract on 2011 Caterpillar 140M Motor Grader SN: B9D02884	67,900	1,234	3.45%	60	67,853	62,677
Deere Credit, Inc. Lease-Purchase Contract on JD 670 G Motor Grader SN: 1DW670GXKA0631798	42,420	756	2.75%	60	37,790	35,667
Total Governmental Activities	$ 1,440,366				$ 759,312	$ 712,862

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Business-type activities:

Purpose	Original Amount	Payment Amounts	Interest Rate	Payments	Minimum Lease Payments	Net Present Value
Landfill:						
Caterpillar Financial Services Corporation Lease-Purchase Contract on 324DL Caterpillar Excavator LAB00394	$ 117,300	$ 2,184	4.45%	60	$ 24,028	$ 23,554
BancorpSouth Equipment Finance. Lease-Purchase Contract on Caterpillar 938H Wheel Loader SN: MJC00461	74,465	1,374	3.45%	59	57,708	54,286
BancorpSouth Equipment Finance. Lease-Purchase Contract on Caterpillar 336DL SN: W3K00695	45,989	849	3.45%	59	35,640	33,527
BancorpSouth Equipment Finance. Lease-Purchase Contract on Komatsu D65EX-15 Dozier SN: 69535	130,350	2,368	3.45%	60	94,735	89,370
Suntrust Equipment Finance. Lease-Purchase Contract on BOMAG BC 1172RB-2 Landfill Compactor	620,975	11,014	2.47%	60	605,762	572,109
Sub-Total Landfill	$ 989,079				$ 817,873	$ 772,846
EMS:						
Regions Equipment Finance Corp. Lease-Purchase Contract on 08 Chev 3500 Ambulance IGBJC34658E178484 & 08 Ford 350 Ambulance 1FDWF36R68EE57731	$ 175,348	6,138	3.83%	30	$ 18,415	$ 18,052
Sub-Total EMS	$ 175,348				$ 18,415	$ 18,052
Totals Business-Type Activities	$ 1,164,427				$ 836,288	$ 790,898
Total All Activities	$ 2,604,793				$ 1,595,600	$ 1,503,760

NOTE 6 - INTERFUND BALANCES AND ACTIVITIES

Balances Due to/From Other Funds

Major Funds	Interfund Receivable (Due From)	Interfund Payable (Due To)
Governmental Funds		
General Fund (from SPLOST # 4)	$ 2,782,582	$ -
General Fund (from SPLOST # 5)	616,405	-
General Fund (from Insurance ISF)	550,105	-
General Fund (due to ISF)	-	1,680,350
General Fund Operating Activities	3,864,822	-
SPLOST Capital Projects Fund # 5 (due to General Fund)	-	616,405
SPLOST Capital Projects Fund # 4 (due to General Fund)	-	2,782,582
	7,813,914	5,079,337
Proprietary Funds		
Natural Gas Fund (due to ISF)	-	83,012
Natural Gas Fund Operating Activities	306,506	-
Airport Fund (due to ISF)	-	120,239
Airport Fund Operating Activities	-	280,958
Ambulance Service Fund (due to ISF)	-	183,514
Ambulance Service Fund Operating Activities	-	477,293
Landfill Fund (due to ISF)	-	236,555
Landfill Fund Operating Activities	-	29,065
Water & Sewer Fund (due to ISF)	-	86,758
Water & Sewer Fund Operating Activities	-	533,418
	306,506	2,030,812
Non-Major Funds		
E-911 SRF (due to ISF)	-	234,473
E-911 SRF Operating Activities	170,537	-
Confiscated Assets SRF Operating Activities	4,999	-
Decatur County Prison SRF Operating Activities	26,569	-
Victim's Assistance SRF Operating Activities	4,895	-
LAG - VFD SRF Operating Activities	5,660	-
Mandatory Drug Fund SRF Operating Activities	-	2,301
Tower Escrow Fund SRF Operating Activities	220	-
FEMA - HMGP SRF Operating Activities	-	21,141
Recovery Act SRF Operating Activities	-	46,998
CDBG - EIP SRF Operating Activities	-	1
Telecommunications Reserve SRF Operating Activities	-	5
Internal Service Fund (Governmental Funds)	1,914,823	-
Internal Service Fund (Proprietary Funds)	710,078	-
Internal Service Fund Operating Activities	-	2,993,027
Insurance Internal Service Fund (due to General Fund)	-	550,105
	2,837,781	3,848,052
Totals	$ 10,958,201	$ 10,958,201

Entity-wide Inter-fund Balance Reconciliation

Governmental Funds	
Receivables	$ 8,026,794
Payables	(5,384,257)
Netting of Internal Service Fund	(942,767)
Internal Balances - Governmental Activities	$ 1,699,770
Business-Type Funds	
Business-Type Funds Receivables	$ 306,506
Business-Type Funds Payables	(2,030,812)
Netting of Internal Service Fund	24,536
Internal Balances - Business-Type Activites	$ (1,699,770)

Due to/from balances are the result of short term borrowing between the funds. It is the County's intent to repay these interfund balances during the next fiscal year.

Transfers to/from Other Funds

Transfers to/from funds at June 30, 2011 consisted of the following:

	Transfer In				
Transfer Out	**General Fund**	**Non-major**	**Ambulance Service Fund**	**Landfill**	**Total**
General Fund	$ -	$ 96,036	$ -	$ -	$ 96,036
SPLOST CPF Ref, # 5	-	-	13,964	1,513,124	1,527,088
Landfill Fund	1,835,071	-	-	-	1,835,071
Non-major Governmental	145,180	-	-	-	145,180
Totals	$ 1,980,251	$ 96,036	$ 13,964	$ 1,513,124	$ 3,603,375

Governmental Activities:	
Total Transfer Out	$ (1,768,304)
Less: Transfer to	
Major Governmental	1,980,251
Non-major Governmental	96,036
Net Transfers Out	$ 307,983

Business-Type Activities:		
Total Transfers In	$	1,527,088
Less: Transfer to Governmental-Type Activities		(1,835,071)
Net Transfers In	$	(307,983)

Transfers from the SPLOST 5 Capital Projects Fund in the amount of $1,513,124 represent capital expenditures moved to the Landfill fund.

Transfers from the SPLOST 5 Capital Projects Fund in the amount of $13,964 represent capital expenditures moved to the Ambulance Service Fund.

All other transfers were for normal general operating purposes.

NOTE 7 - RETIREMENT PLANS

Primary Government

Effective October 1, 1994, the County participates in the following Defined Benefit Pension Plan:

A. Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Decatur 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 an adoption agreement, is affiliated with the Association of County Commissioners of Georgia Second Restated Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by Pension Service Company. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of The ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of The ACCG Plan document. Pension Service Company issues a publicly available financial report that includes financial statements and required supplementary information for ACCG. That report may be obtained by writing to Pension Service Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339 or by calling (770)-563-9368. All full-time employees are eligible to participate in The Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire with unreduced benefits at age 65 with 3 years of plan participation. Early retirement options are available at ages 60, with 10 years of service and 3 years of participation and 55 with 25 years of service and 3 years of participation. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.0% of average annual compensation plus $36 for each year of service payable as a life annuity. Compensation is

averaged over a five-year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

B. Funding Policy

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using the actuarial methods and assumptions approved by The ACCG Plan trustees and must satisfy the minimum contribution requirements contained in the State of Georgia statutes.

C. 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 Obligation:	2011	2010
Net Pension Cost as of Beginning of Prior Year	$ (288,088)	$ (259,391)
Annual Pension Cost for Prior Year	674,322	617,909
Actual Contributions to Plan for Prior Year	692,962	646,606
Increase in Net Pension Obligation	(18,640)	(28,697)
Net Pension Obligation as of Beginning of the Year	$ (306,728)	$ (288,088)
Derivation of Annual Pension Cost:		
Annual Required Contribution	$ 688,834	$ 672,760
Interest on Net Pension Obligation	(23,771)	(22,327)
Amortization of Net Pension Obligation	25,435	23,889
Annual Pension Cost	$ 690,498	$ 674,322

Summary of Valuation Results and Basis of Valuation:

(A) Actuarial Valuation Date: January 1, 2011
(B) Expected Employee Contributions: $ 0
(C) Required County Contribution: $ 688,834
(D) County's Annual Pension Cost: $ 690,498
(E) Funding Method: Projected Unit Credit
(F) Actuarial Value of Plan Assets: Equals market value of assets, contributions receivable
(G) 7.75% Annual Return on Investment Plan Assets
(H) 3.5%-6.0% Projected Salary Increase based on age
(I) 3.0% per annum inflation
(J) The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis.
(K) Actuarial Cost Method: Projected Unit Credit
(L) Post Retirement Benefit Increases: N/A

(M) Remaining Amortization Period* 10 Years

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

D. Summary of Plan Asset Matters and Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by The Plan and increments in the cash value of death benefits.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 60% equities and 40% fixed income securities on a cost basis.

Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

Trend Information for the Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
January 1, 2011	$ 690,498	N/A	N/A	$ (306,728)
January 1, 2010	674,322	$ 692,962	103%	(288,088)
January 1, 2009	617,909	646,606	105%	(259,391)
January 1, 2008	541,155	567,091	105%	(233,455)
January 1, 2007	465,057	495,967	107%	(202,545)
January 1, 2006	439,486	480,556	109%	(161,475)
January 1, 2005	431,452	488,474	113%	(104,453)
January 1, 2004	352,264	405,281	115%	(51,436)
January 1, 2003	299,201	350,637	117%	-
January 1, 2002	263,784	263,784	100%	-
January 1, 2001	232,901	232,901	100%	-
January 1, 2000	227,298	227,300	100%	-
January 1, 1999	209,901	209,901	100%	-

Schedule of Funding Progress

Measurement Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	Funded Ratio (1) / (2) (3)	Unfunded AAL (UAAL) (2) - (1) (4)	Annual Covered Payroll (prior year) (5)	UAAL as a Percentage of Covered Payroll (4) / (5) (6)
12/31/10	$ 5,192,349	$ 7,186,929	72.2%	$ 1,994,580	$ 7,769,933	25.7%
12/31/09	4,546,396	6,554,110	69.4%	2,007,714	7,239,821	27.7%
12/31/08	3,951,317	5,865,853	67.4%	1,914,536	6,709,222	28.5%
12/31/07	3,631,684	5,187,197	70.0%	1,555,513	5,952,227	26.1%
12/31/06	3,114,959	4,710,534	66.1%	1,595,575	5,538,786	28.8%
12/31/05	2,677,075	4,641,578	57.7%	1,964,503	5,166,770	38.0%
12/31/04	2,214,336	3,876,385	57.1%	1,662,049	4,268,060	38.9%

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

E. Other Retirement Plans

Probate Judges Retirement Fund of Georgia

The Probate Judge is covered under a pension plan, which requires that certain sums from marriage licenses and fines or forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan, which requires that certain sums from fees and fines or forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and Sheriff Deputies are covered under separate pension plans, which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

NOTE 8 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries property and auto insurance. The County is covered by general liability insurance through the ACCG Interlocal Risk Management Agency.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia counties to

form interlocal risk management agencies. The ACCG Interlocal Risk Management Agency (IRMA) is a county interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member counties - IRMA establishes and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of county government. IRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of IRMA against liability or loss.

Decatur County must participate at all times in at least one fund which is established by IRMA. Other responsibilities of the County are as follows:

- To pay all contributions, assessments, or other sums due to IRMA at such times and in such amounts as shall be established by IRMA.

- To select a person to serve as a member representative.

- To allow IRMA and its agents reasonable access to all facilities of the County and all records, including but not limited to, financial records which relate to the purposes of IRMA.

- To allow attorneys, appointed by IRMA, to represent the County in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the Fund or Funds established by IRMA.

- To assist and cooperate in the defense and settlement of claims against the County.

- To furnish full cooperation to IRMA's attorneys, claims adjusters, service company, and any agent, employee, officer, or independent contractor of IRMA relating to the purposes of IRMA.

- To follow all loss reduction and prevention procedures established by IRMA.

- To furnish to IRMA such budget, operating, and underwriting information as may be requested.

- To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in IRMA or any Fund established by IRMA being required to pay claim for loss or injuries to County property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the County participates.

Decatur County retains the first $2,500 of each risk of loss in the form of a deductible. The County files all claims with IRMA. IRMA bills the County for any risk of loss up to the $2,500

deductible.

The basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary.

The County has not compiled a record of the claims paid up to the applicable deductible for the prior or current fiscal year. The County is not aware of any claims, which the County is liable for (up to the applicable deductible) which were outstanding and unpaid at June 30, 2011. No provisions have been made in the financial statements for the year ended June 30, 2011 for any estimate of potential unpaid claims.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, Decatur County became a member of the Association of County Commissioners Workers' Compensation Self-Insurance Fund. The effective date of membership was January 1, 1993. The liability of the fund to the employees of any employer (Decatur County) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

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

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding of compensation therefore, although such suits, other proceedings, allegations, or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

Decatur County provides a partially self-funded plan for health and dental coverage for its employees and their dependents. Employees have the option to participate. The plan is reinsured both for specific claims incidence ($45,000) and aggregate claims ($1,255,000) in order to limit or cap the County's liability. The County retains a third party administrator to process claims. At the discretion of the County or the third party administrator, claims may be audited for justifiable expense. The plan is funded by the County and employee contributions. Employees pay $20.00 per month of the premium to insure themselves and the County pays approximately $483 of the premium. Dependent coverage premiums are the responsibility of the employee. The dental plan is fully funded by the employees if they participate. Annual reviews are done to assess the rates for the premiums for the health and dental coverage. The activities of this partially self-funded plan are reported in the Insurance Internal Service Fund.

NOTE 9 - CONTINGENT LIABILITIES

The Water and Sewer Fund is subject to many accounting regulations and restrictions according to the bond ordinance. Article V, Section 502 of the Bond resolution states that fees are to be deposited promptly and immediately in the revenue fund and expenses are to be paid from that bank account. It is more practical to deposit the fees and pay the operating expenses through the General Fund.

The difference between the revenues and expenses for the month is transferred to or from the water and sewer bank account. The method used provides a complete audit trail of all revenues and expenses for audit purposes. Also, Article V, Section 507 states that the revenue fund contains a minimum of $5,000 at any time in order for the County to be able to meet any emergency or unforeseen contingency affecting the system. At June 30, 2011, the revenue fund had a balance of $34,208.

The County participates in Federal and State-assisted grant programs. These programs are subject to program compliance audits by the grantor or its representative. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

NOTE 10 - CONDENSED FINANCIAL STATEMENTS - ENTERPRISE FUNDS

Condensed Statement of Net Assets

Description	Water & Sewer Fund	Natural Gas	Airport	Ambulance Service Fund	Landfill Fund	Totals
Assets						
Current	$ 30,467	$ 339,082	$ 41,731	$ 195,008	$ 419,310	$ 1,025,598
Capital	3,260,241	61,102	3,864,751	269,407	9,384,714	16,840,215
Total Assets	$ 3,290,708	$ 400,184	$ 3,906,482	$ 464,415	$ 9,804,024	$ 17,865,813
Liabilities						
Current	$ 679,257	$ 102,728	$ 409,591	$ 720,591	$ 472,942	$ 2,385,109
Long-term	175,000	-	-	-	3,760,530	3,935,530
Total Liabilities	$ 854,257	$ 102,728	$ 409,591	$ 720,591	$ 4,233,472	$ 6,320,639
Net Assets						
Investments in Capital Assets Net of Related Debt	$ 2,974,512	$ 61,102	$ 3,864,751	$ 251,355	$ 8,611,868	$ 15,763,588
Restricted for Debt Service	90,846	-	-	-	-	90,846
Unrestricted	(628,907)	236,354	(367,860)	(507,531)	(3,041,316)	(4,309,260)
Total Net Assets	$ 2,436,451	$ 297,456	$ 3,496,891	$ (256,176)	$ 5,570,552	$ 11,545,174

Condensed Statement of Revenues, Expenses and Change in Net Assets

Description	Water & Sewer Fund	Natural Gas	Airport	Ambulance Service	Landfill Fund	Totals
Operating revenues						
Charges for Services	$ 246,368	$ 383,543	$ 551,219	$ 861,980	$ 2,428,721	$ 4,471,831
Rental Income	-	-	6,600	-	-	6,600
Total operating revenues	246,368	383,543	557,819	861,980	2,428,721	4,478,431
Operating expenses (Excluding Depreciation)	567,233	291,878	746,315	1,332,912	1,003,581	3,941,919
Depreciation	82,560	4,063	235,866	88,799	612,959	1,024,247
Total operating expenses	649,793	295,941	982,181	1,421,711	1,616,540	4,966,166
Operating income (loss)	(403,425)	87,602	(424,362)	(559,731)	812,181	(487,735)
Nonoperating revenues (expenses)						
Intergovernmental	-	-	344,660	73,276	-	417,936
Interest income	634	-	-	-	-	634
Gain (Loss) on disposal of assets	-	-	-	-	5,829	5,829
Other miscelaneous revenue	-	-	-	-	3,110	3,110
Interest expense	(10,750)	-	-	(2,137)	(15,327)	(28,214)
Total Nonoperating income (expenses)	(10,116)	-	344,660	71,139	(6,388)	399,295
Transfers in (out)	-	-	-	13,964	(321,947)	(307,983)
Changes in net assets	(413,541)	87,602	(79,702)	(474,628)	483,846	(396,423)
Beginning net assets	2,849,992	209,854	3,576,593	218,452	5,086,706	11,941,597
Ending net assets	$ 2,436,451	$ 297,456	$ 3,496,891	$ (256,176)	$ 5,570,552	$ 11,545,174

Condensed Statement of Cash Flows

Description	Water & Sewer Fund	Natural Gas	Airport	Ambulance Service Fund	Landfill Fund	Totals
Net cash provided (used) by operating activities	$ 29,999	$ 6,000	$ (34,952)	$ 76,315	$ 2,056,857	$ 2,134,219
Net cash provided (used) by noncapital financing activities	-	-	-	13,964	(1,835,071)	(1,821,107)
Net cash provided (used) by capital and related financing activities	(30,750)	(6,000)	69,090	(90,279)	(221,786)	(279,725)
Net cash provided (used) by investing activities	634	-	-	-	-	634
Net increase (decrease) in cash & cash equivalents	(117)	-	34,138	-	-	34,021
Beginning cash & cash equivalents	90,846	-	7,593	200	-	98,639
Ending cash & cash equivalents	$ 90,729	$ -	$ 41,731	$ 200	$ -	$ 132,660

NOTE 11 - CLOSURE AND POSTCLOSURE COST

Landfill SR309 – Permit 043-006D(SL)

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste. Landfill operating costs were included in the General Fund in years prior to June 30, 1999. On July 1, 1999 the County began recording the activity of the landfill in an enterprise fund. The liability for the estimated closure and postclosure care costs was included in the general long-term debt account group in prior years totaling $2,241,968. The liability was recognized in the Landfill Enterprise Fund on July 1, 1999 and removed from the general long-term debt account group. These estimated costs based on a calculation using the utilized capacity percentage of the landfill for the year ending June 30, 2006 was $21,015, which increased the liability to $4,307,227. The total landfill capacity was used and the landfill was closed in July 2006. During the current year, the Georgia Environmental protection Division altered its valuation of the postclosure landfill costs. A prior period adjustment was recorded to reflect this change. The estimated costs based on a calculation using the utilized capacity percentage of the landfill for the year ending June 30, 2011 was $8,452, which increases the liability to $853,675.. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Landfill US Hwy 27 – Permit 043-011D(MSWL)

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste. These estimated costs based on a calculation using the utilized capacity percentage of the landfill for the year ending June 30, 2011 was $265,628, which increases the liability to $2,316,619. The County will recognize the remaining estimated cost of closure and post-closure care of $3,658,119 as the remaining estimated capacity is filled. The total landfill capacity used as of June 30, 2011 is 38.77%. The County estimates the remaining useful life of the landfill as 6.15 years. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 12 - CONSTRUCTION COMMITMENTS

On November 4, 2003, a referendum was held to determine whether to continue to impose a 1% Special Purpose Local Option Sales Tax in Decatur County, Georgia for road, street, and bridge purposes and capital outlay projects. The tax period for this referendum is April 1, 2004, to March 31, 2009. With the passage of this referendum on November 4, 2003, the County is obligated to expend up to $6,276,800 for road, street, and bridge improvements and up to $7,250,000 for capital outlay projects of the County for the use and benefit of the citizens of the entire County, consisting of sanitary landfill, animal control, fire station and equipment, jail improvements, livestock facility improvements, and recreational projects. Please refer to the Schedule of Special Purpose Local Option Sales Tax.

On September 16, 2008, a referendum was held to determine whether to continue to impose a 1% Special Purpose Local Option Sales Tax in Decatur County, Georgia for road, street, and

bridge purposes and capital outlay projects. The tax period for this referendum is April 1, 2009, to March 31, 2014. With the passage of this referendum on September 16, 2008, the County is obligated to expend up to $6,200,000 for road, street, and bridge improvements and up to $11,610,750 for capital outlay projects of the County for the use and benefit of the citizens of the entire County, consisting of the purchase of the Silver Lake property, telecommunications system, sanitary landfill, Fire/EMS/911 Center, AG Center (Ext Service/FSA), Spec Building, Jail, Fire Department equipment and facilities, and Public Safety equipment. Please refer to the Schedule of Special Purpose Local Option Sales Tax.

NOTE 13 – RESTRICTED NET ASSETS

Net assets restricted for other projects and other purposes are as follows:

	Other Projects	Other Purposes	Total
CDBG EIP	$ 289,197	$ -	$ 289,197
Drug Abuse and Education	-	-	-
Local Assitance Grant-VFD	5,660	-	5,660
Recovery Act - JAG	(5,581)	-	(5,581)
Crime Victims Assistance	4,903	-	4,903
Law Library	55,466	-	55,466
Confiscated Assets	45,513	-	45,513
E-911	(66,508)	-	(66,508)
Mandatory Drug Fund	31,139	-	31,139
Tower Escrow Fund	220	-	220
Telecommunications Reserve Fund	17,290	-	17,290
FEMA - HMGP	(21,141)	-	(21,141)
Decatur County Prison Account	26,317	-	26,317
Retirement	-	1,101,659	1,101,659
Water & Sewer Debt	-	90,846	90,846
	$ 382,475	$ 1,192,505	$ 1,574,980

NOTE 14 - SPECIAL ITEM – SALES OF CAPITAL ASSETS

During the fiscal year ended June 30, 2011 the County sold certain capital assets, which were transactions the County, considers infrequent in occurrence. The County has reported these transactions as special items in the government-wide financial statements as required by GASB 34, paragraph 56. These transactions consisted of the disposition of 8 Crown Victoria and a GMC Pickup reported in the governmental activities with business activities reporting the disposition of an 816 F Compactor.

NOTE 15 - DEFICIT FUND BALANCE

For the fiscal year ended June 30, 2011 there were numerous funds that had a deficit fund balance. The SPLOST 4 Capital Projects Fund had a deficit fund balance of $2,610,138. This temporary deficit is the result of short-term borrowing from the General Fund to complete capital projects prior to the actual receipt of SPLOST 4 tax proceeds. It is the County's intent to alleviate this deficit with transfers from other funds. The Ambulance Service fund had a deficit balance of $256,176. It is the County's intent to alleviate this deficit with future revenues and/or transfers from other funds. The E-911 Special Revenue Fund had a deficit fund balance of $66,508. It is the County's intent to alleviate this deficit with future revenues and/or transfers

from other funds. The Recovery Act – JAG Special Revenue Fund had a deficit fund balance of $5,581. It is the County's intent to alleviate this deficit with future revenues and/or transfers from other funds. The FEMA – HMGP Special Revenue Fund had a deficit fund balance of $21,141. It is the County's intent to alleviate this deficit with future revenues and/or transfers from other funds. The Administrative Cost Internal Service Fund had a deficit balance of $437,755 and the Health Insurance Internal Service Fund had a deficit balance of $547,401. It is the County's intent to alleviate these deficits with future revenues and/or transfers from other funds.

NOTE 16 - PRIOR PERIOD ADJUSTMENT

In the current year, the Georgia Environmental Protection Division altered its valuation of post closure costs for the Old Landfill. The Division reduced its valuation by $3,462,005. Beginning net assets in the Landfill Fund have been restated to reflect this change.

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNIT – HOSPITAL AUTHORITY OF BAINBRIDGE, DEATUR COUNTY

A. Bank Deposits

At March 31, 2010 and 2011, the Authority had bank balances as follows:

	2011	2010
Insured (FDIC) or collateralized with securities held by the Authority.	$ 781,500	$ 781,500
Collateralized by securities held by the pledging financial institution's trust department in the Authority's name.	2,740,936	2,823,194
Uncollateralized.	-	-
Total (bank balance)	$ 3,522,436	$ 3,604,694
Carrying value (book value)	$ 3,352,736	$ 3,691,589

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B. Capital Assets

A summary of property and equipment at March 31, 2011 follows:

	2010 Balance	Increase	Decrease	2011 Balance
Land	$ 658,662	$ -	$ -	$ 658,662
Buildings & Improvements	20,909,397	104,125	-	21,013,522
Equipment	18,755,486	640,517	768,104	18,627,899
Construction in progress	239,469	1,907	-	241,376
Total property and equipment	40,563,014	746,549	768,104	40,541,459
Less accumulated depreciation:				
Buildings and improvements	11,442,458	695,155	-	12,137,613
Equipment	15,960,522	732,601	742,397	15,950,726
Total accumulated depreciation	27,402,980	1,427,756	742,397	28,088,339
Net property and equipment	$ 13,160,034	$ (681,207)	$ 25,707	$ 12,453,120

C. The following is a summary of changes in long-term debt:

	2010 Balance	Additions	Deletions	2011 Balance	Amount Due in One Year
Notes payable	$ 2,482,749	$ -	$ 202,566	$ 2,280,183	$ 203,119
Capital leases	273,259	-	113,326	159,933	109,730
Total long term debt	$ 2,756,008	$ -	$ 315,892	$ 2,440,116	$ 312,849

A summary of long-term debt, including capital lease obligations, at March 31, 2011 and 2010, follows:

	2011	2010
4.125% note to First Port City Bank (along with Family Bank, Park Avenue Bank, and Peoples Community Bank of Southwest Georgia) in monthly installments of $24,500, with the three year renewal date in December 2012. The original note is amortized over twenty years renewing every three years with final payment due in July 2018. Collateralized by land, buildings, and equipment.	$ 2,280,183	$ 2,482,749
Capital lease obligations at varying rates of imputed interest from 4.8 % to 8.1 %. Collateralized by leased equipment with amortized cost of $368,236.	159,933	273,259
Total long-term debt	2,440,116	2,756,008
Less current installments of long-term debt	312,849	309,936
Long-term debt, excluding current installments	$ 2,127,267	$ 2,446,072

Scheduled principal and interest repayments on long-term debt and payments on capital lease obligations for the next four years are as follows:

	Long-term Debt		Capital Lease Obligations	
Year Ended March 31	Principal	Interest	Principal	Interest
2012	203,118	90,881	109,730	5,856
2013	2,077,065	70,887	50,203	835
2014	-	-	-	-
2015	-	-	-	-
Totals	$ 2,280,183	$ 161,768	$ 159,933	$ 6,691

D. Pension

The Authority provides a tax deferred compensation retirement plan for the employees. Employees will contribute a portion of their pre-tax wages and the Authority will fund a matching contribution of one-half an employee's contribution. The Authority's maximum contribution will be three percent of an employee's wages. The Authority also contributes an additional $5.00 per employee per pay period. For the years ended March 31, 2011 and 2010, the Authority contributed $337,000 and $337,000 in matching funds, respectively.

E. Contingencies

Various claims and assertions are made against the Hospital Authority during the ordinary course of business. It is the opinion of management and management's legal counsel that any losses that may result from such claims and assertions would not materially affect the operations or financial position of the Hospital Authority as of and for the year ended March 31, 2011. In addition, the state of Georgia legislature passed tort reform which could limit the amount of certain settlements.

F. Self-Insurance

The Authority has a self-insurance program for employee health insurance under which a third party administrator processes and pays claims. The Authority reimburses the third party administrator monthly for claims incurred and paid. The Authority has purchased stop-loss insurance coverage for claims in excess of $75,000 for each individual employee and total facility cost of $2,900,000. Under this self-insurance program, the Authority incurred expenses of $3,100,000 and $3,000,000 during the years ended March 31, 2011 and 2010, respectively.

The Authority has a partial self-insurance for medical malpractice liability claims. The Authority is self-insured up to $1,000,000 per claim and has purchased liability coverage over $1,000,000 per claim and $3,000,000 in the aggregate.

G. Related Organization

The Memorial Foundation, Inc. was created to support and promote the health care programs, operations, and activities of the Authority. The Foundation's funds are distributed to the Authority in amounts and in periods determined by the Foundation's Board of Trustees, who may also restrict the use of funds for capital needs.

A summary of the Foundation's assets and net assets, results of operations, and changes in net assets follows:

	2011	2010
Assets	$ 954,505	$ 857,150
Liabilities	-	-
Net Assets	954,505	857,150
Liabilities and net assets	$ 954,505	$ 857,150
Revenues	$ 18,190	$ 13,690
Investing gains (losses)	71,522	(135,029)
Expenses	(10,236)	(24,696)
Contributions to Memorial Hospital and	-	-
Excess of revenues over expenses	79,476	(146,035)
Changes in net unrealized gains and losses on marketable securities	17,879	314,191
Net assets, beginning of year	857,150	688,994
Net assets, end of year	$ 954,505	$ 857,150

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT – DECATUR COUNTY HEALTH DEPARTMENT

A. Bank Deposits

Total deposits and investments as of June 30, 2011, are summarized as follows:

As reported in the Statement of Net Assets:	
Cash and cash equivalents	$ 818,323
Cash deposited with financial institutions	$ 818,323

Interest rate risk. The Health Department does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depositary financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2011, the Health Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

B. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance June 30, 2010	Increase	Decrease	Balance June 30, 2011
Vehicles	$ 95,624	$ -	$ -	$ 95,624
Building	19,492	-	-	19,492
Equipment	72,017	-	-	72,017
Accumulated Depreciation	(153,421)	(9,927)	-	(163,348)
Governmental Activities Capital Assets, Net	$ 33,712	$ (9,927)	$ -	$ 23,785

C. Compensated Absences

Non-current liabilities on the Statement of Net Assets are made up of compensated absences payable at June 30, 2011. All of the compensated absences are related to governmental activities. Changes in compensated absences for FY2011 are as follows:

Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
$ 70,826	$ -	$ 1,627	$ 69,199

D. Retirement Plan

The employees of the Decatur County Health Department are covered by the Employee's Retirement System of the State of Georgia. Total retirement contributions for the year ended June 30, 2011 were $55,394 based on qualifying salaries of $541,165. Ten year historical information may be obtained from the Employee's Retirement System of Georgia.

REQUIRED SUPPLEMENTARY INFORMATION

Decatur County, Georgia
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
REVENUES				
Property taxes	$ 7,760,000	$ 7,760,000	$ 7,331,407	$ (428,593)
Sales and miscellaneous taxes	3,715,000	3,715,000	3,628,778	(86,222)
Fees and fines	1,250,200	1,250,200	1,510,710	260,510
Licenses and permits	148,000	148,000	113,563	(34,437)
Intergovernmental	621,837	621,837	819,370	197,533
Charges for services	2,148,500	2,148,500	1,965,464	(183,036)
Investment earnings	70,000	70,000	79,924	9,924
Miscellaneous	312,500	312,500	294,526	(17,974)
TOTAL REVENUES	16,026,037	16,026,037	15,743,742	(282,295)
EXPENDITURES				
General Government				
Legislative	203,498	203,498	167,479	36,019
Elections	229,280	229,280	181,458	47,822
Tax Commissioner	445,375	456,875	456,852	23
Tax Assessor	488,462	488,462	485,601	2,861
General Govt. Buildings and Grounds	182,703	217,703	217,649	54
General Government	1,549,318	1,595,818	1,509,039	86,779
Judicial				
Superior Court	73,599	73,599	69,208	4,391
Clerk of Courts	592,100	592,100	545,582	46,518
District Attorney	44,750	44,750	44,750	-
State Court	165,105	165,105	161,447	3,658
Magistrate Court	247,411	247,586	247,569	17
Probate Court	162,581	162,581	161,793	788
Juvenile Court	156,600	157,700	157,648	52
Public Defender	199,800	199,800	179,864	19,936
Judicial	1,641,946	1,643,221	1,567,861	75,360
Public Safety				
Sheriff	3,294,999	3,140,633	3,133,225	7,408
Jail	2,402,690	2,393,320	2,393,273	47
Corrections	3,762,307	3,920,307	3,920,270	37
Fire	1,069,137	1,139,937	1,139,880	57
Coroner/Medical Examiner	39,535	39,535	38,094	1,441
Emergency Management	17,206	17,206	10,189	7,017
Public Safety	10,585,874	10,650,938	10,634,931	16,007
Public Works				
Highways and Streets	2,481,712	2,477,448	2,377,183	100,265
Maintenance & Shop	129,184	130,390	130,390	-
Public Works	2,610,896	2,607,838	2,507,573	100,265

Decatur County, Georgia
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
Health and Welfare				
Health	224,059	224,559	224,475	84
Welfare	301,000	301,000	298,178	2,822
Health and Welfare	525,059	525,559	522,653	2,906
Parks and Recreation				
Recreation	80,000	80,000	80,000	-
Parks	127,714	127,714	119,655	8,059
Parks and Recreation	207,714	207,714	199,655	8,059
Housing and Development				
Conservation	163,507	163,507	135,127	28,380
Planning and Zoning	238,779	259,499	259,454	45
Industrial Park	262,764	271,764	271,722	42
Housing and Development	665,050	694,770	666,303	28,467
Total Expenditures - All Departments	17,785,857	17,925,858	17,608,015	317,843
Net Excess before Operating Transfers	(1,759,820)	(1,899,821)	(1,864,273)	35,548
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases	386,500	386,500	-	(386,500)
Transfers In (Out)	1,835,071	1,835,071	2,029,389	194,318
Total Other Financing Sources (uses)	2,221,571	2,221,571	2,029,389	(192,182)
SPECIAL ITEMS				
Proceeds from sale of capital assets	25,000	25,000	84,939	59,939
Total Special Items	25,000	25,000	84,939	59,939
Net Excess (deficit)	$ 486,751	$ 346,750	$ 250,055	$ (96,695)

Budgetary Comparison Reporting

In accordance with Governmental Accounting Standards Board Statement Number 34 (GASB 34), paragraph 131 the County has presented the budgetary comparison schedule using the same format, terminology, and classifications as the budget document. Additionally, the County has presented in Note A to the budgetary comparison schedule information that reconciles budgetary information to generally accepted accounting principles (GAAP) information. The County has explained in Note A the basis and perspective differences in accordance with GASB 34 paragraph 131.

DECATUR COUNTY, GEORGIA
Debt Service Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Taxes	$ 2,111,600	$ 2,148,600	$ 2,116,553	$ (32,047)
Total Revenues	2,111,600	2,148,600	2,116,553	(32,047)
Expenditures				
Debt Service				
Principal	1,769,000	1,787,000	1,761,496	25,504
Interest	342,600	361,600	355,057	6,543
Total Expenditures	2,111,600	2,148,600	2,116,553	32,047
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund Balance Beginning of Year	-	-	-	-
Fund Balance End of Year	$ -	$ -	$ -	$ -

Note A-Explanation of Differences between Revenues, Expenditures and Other Financing Sources (Uses) for Budgetary Funds on a Budgetary Basis and GAAP General Fund on a GAAP Basis

Financial Statements General Fund	General Fund
Revenues	
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	$ 15,743,742
Reclassifications:	
Some road construction capital expenditures are budgeted and originally paid with General Fund revenues, to be reimbursed later from the SPLOST 4/5 funds. The County budgets these expenditures and reimbursements in the General Fund but the expenditures are actually reported in the SPLOST 4/5 funds for GAAP purposes.	(627,211)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances General Fund	$ 15,116,531
Expenditures	
Adjustments:	
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedule	$ 17,608,015
Adjustments:	
The County budgets for certain prepaid expenditures on the cash basis of accounting rather than the modified accrual basis of accounting being used by the GAAP basis statements	35,782
Reclassifications:	
Some road construction capital expenditures are budgeted and originally paid with General Fund revenues, to be reimbursed later from the SPLOST 4 /5 funds. The County budgets these expenditures and reimbursements in the General Fund but the expenditures are actually reported in the SPLOST 4/5 funds for GAAP purposes.	(627,211)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances General Fund	$ 17,016,586

Decatur County, Georgia
Budgetary Comparison
For the Fiscal Year Ended June 30, 2011

Note B to Required Supplementary Information

Budget and Budgetary Accounting

Listed below is a summary of the procedures followed by the County in establishing the budgetary data reflected in the budgetary comparison schedule;

At least three months prior to year end the County Administrator and Department Heads begin work on the proposed operating budget for the coming fiscal year;

Approximately thirty days prior to year end, the proposed operating budget is submitted to the County Commissioners. The budget was adopted on July 29, 2010. The budget includes proposed expenditures and the means of financing them;

Public Hearings are conducted to obtain taxpayer comments;

The budget is legally enacted through passage of a resolution;

Department Heads are restricted to budgeted amounts by line item;

The County adopts a General Fund budget that provides for most of the appropriations of the governmental activities of the County. The County adopts budgets for Special Revenue and Debt Service funds as required by Georgia law. These budgets are not adopted on a basis consistent with generally accepted accounting principles. Budgets are prepared for the enterprise funds as a management control device. Budgets for capital projects are prepared for the project life rather than for the current fiscal year. Project appropriations for these budgets do not lapse at the end of each fiscal year but rather at the conclusion of the project.

All appropriations (except Capital Project Funds' appropriations) lapse at year end. There were no material purchase orders, contracts, or other commitments which were encumbered, because the County does not use encumbrance accounting.

Capital Projects Funds use project budgeting.

Fiduciary type funds are agency funds and budgets are not prepared for these funds.

The legal level of budgetary control is at the department level.

GASB 27 Required Supplementary Information-Schedule of Funding Progress

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
December 31, 2010	$ 5,192,349	$ 7,186,929	$ 1,994,580	72.2%	$ 7,769,933	25.7%
December 31, 2009	4,546,396	6,554,110	2,007,714	69.4%	7,239,821	27.7%
December 31, 2008	3,951,317	* 5,865,853	1,914,536	67.4%	6,709,222	28.5%
December 31, 2007	3,631,684	5,187,197	1,555,513	70.0%	5,952,227	26.1%
December 31, 2006	3,114,959	4,710,534	1,595,575	66.1%	5,538,786	28.8%
December 31, 2005	2,677,075	4,641,578	1,964,503	57.7%	5,166,770	38.0%
December 31, 2004	2,214,336	3,876,385	1,662,049	57.1%	4,268,060	38.9%
December 31, 2003	1,829,083	3,145,789	1,316,706	58.1%	3,737,789	35.2%
December 31, 2002	1,306,550	2,594,590	1,288,040	50.4%	3,286,059	39.2%
December 31, 2001	1,168,740	2,235,698	1,066,958	52.3%	2,946,083	36.2%
December 31, 2000	988,694	1,991,669	1,002,975	49.6%	2,570,702	39.0%
December 31, 1999	796,092	1,668,611	872,519	47.7%	2,604,012	33.5%
December 31, 1998	609,347	1,442,137	832,790	42.3%	2,309,806	36.1%
December 31, 1997	433,813	1,216,414	782,601	35.7%	1,935,177	40.4%

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

The assets and liabilities shown above reflect expected amounts as of the last day of the plan year. These amounts may vary from those used in determining the required contribution, since those calculations use actual amounts as of the first day of the next plan year.

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 the 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.

Decatur County, Georgia
Employee Retirement System
Required Supplementary Information
For the Fiscal Year Ended June 30, 2011

Notes to the Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date:	January 1, 2011
Actuarial cost method:	Projected unit credit
Asset valuation method:	Market Value
Amortization method:	Level Percent of Pay (closed)
Remaining amortization period*:	10 Years

The amortization period for this plan is closed.

Actuarial Assumptions Utilized:	
Investment rate of return:	7.75%
Projected salary increases:	3.5 % - 6.0 % based on age
Expected annual inflation:	3.00%

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

Supplemental Information

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

DECATUR COUNTY, GEORGIA

For the Fiscal Year Ended June 30, 2011

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust fund.

DECATUR COUNTY, GEORGIA
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds	Capital Projects Fund - CDBG Slough Loop Grant # 2	Totals
Assets			
Cash in bank	$ 438,421	$ -	$ 438,421
Due from other funds	212,880	-	212,880
Intergovernmental receivable	63,729	-	63,729
Notes Receivable	235,789	-	235,789
Total Assets	$ 950,819	$ -	$ 950,819
Liabilities & Fund Balances			
Liabilities			
Accounts payable	$ 11,183	$ -	$ 11,183
Accrued salaries	16,453	-	16,453
Due to other funds	304,919	-	304,919
Deferred revenue	235,789	-	235,789
Total Liabilities	568,344	-	568,344
Fund Balances			
Restricted for:			
Legal Reference Materials	55,466	-	55,466
Public Safety	113,532	-	113,532
Economic Development	306,707	-	306,707
Unassigned:	(93,230)	-	(93,230)
Total Fund Balances	382,475	-	382,475
Total Liabilities & Fund Balance	$ 950,819	$ -	$ 950,819

DECATUR COUNTY, GEORGIA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2011

	Special Revenue Funds	Capital Project Fund-CDBG Slough Loop Grant # 2	Totals
Revenues			
Charges for services	$ 669,656	$ -	$ 669,656
Fines and Forfeitures	51,925	-	51,925
Intergovernmental	1,402,842	-	1,402,842
Donations and contributions	16,651	-	16,651
Interest	4,271	-	4,271
Total Revenues	2,145,345	-	2,145,345
Expenditures			
Current			
General Government	13,094	-	13,094
Public Safety	1,261,850	-	1,261,850
Housing and Development	716,162	-	716,162
Debt Service			
Principal	17,338	-	17,338
Interest	145	-	145
Capital Outlay			
Public Safety	47,087	-	47,087
Total Expenditures	2,055,676	-	2,055,676
Excess (deficiency) of revenues over expenditures	89,669	-	89,669
Other Financing Sources			
Proceeds from sale of capital assets	10,570	-	10,570
Transfers in	96,036	-	96,036
Transfers out	(145,175)	(5)	(145,180)
Total other financing sources	(38,569)	(5)	(38,574)
Net Change in Fund Balance	51,100	(5)	51,095
Fund Balance-beginning of period	331,375	5	331,380
Fund Balance-end of period	$ 382,475	$ -	$ 382,475

DECATUR COUNTY, GEORGIA
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2011

	Law Library	Confiscated Assets	E-911	CDBG EIP	Victim's Assistance	LAG - VFD	One GA Grant	Recovery Act - JAG	Mandatory Drug Fund	Tower Escrow Fund	Telecommunications Reserve Fund	Decatur County Prison Account	FEMA - HMGP	Totals
Assets														
Cash in banks	$ 55,466	$ 40,514	$ -	$ 289,198	$ 8	$ -	$ -	$ -	$ 35,940	$ -	$ 17,295	$ -	$ -	$ 438,421
Due from other funds	-	4,999	170,537	-	4,895	5,660	-	-	-	220	-	26,569	-	212,880
Notes/capital leases receivable	-	-	-	235,789	-	-	-	-	-	-	-	-	-	235,789
Intergovernmental receivable	-	-	21,272	-	-	-	-	42,457	-	-	-	-	-	63,729
Total Assets	$ 55,466	$ 45,513	$ 191,809	$ 524,987	$ 4,903	$ 5,660	$ -	$ 42,457	$ 35,940	$ 220	$ 17,295	$ 26,569	$ -	$ 950,819
Liabilities & Fund Balances														
Liabilities														
Accounts payable	$ -	$ -	$ 7,391	$ -	$ -	$ -	$ -	$ 1,040	$ 2,500	$ -	$ -	$ 252	$ -	$ 11,183
Due to other funds	-	-	234,473	1	-	-	-	46,998	2,301	-	5	-	21,141	304,919
Deferred revenue	-	-	-	235,789	-	-	-	-	-	-	-	-	-	235,789
Accrued salaries	-	-	16,453	-	-	-	-	-	-	-	-	-	-	16,453
Total Liabilities	-	-	258,317	235,790	-	-	-	48,038	4,801	-	5	252	21,141	568,344
Fund Balances														
Restricted for:														
Legal Reference Materials	55,466	-	-	-	-	-	-	-	-	-	-	-	-	55,466
Public Safety	-	45,513	-	-	4,903	5,660	-	-	31,139	-	-	26,317	-	113,532
Economic Development	-	-	-	289,197	-	-	-	-	-	220	17,290	-	-	306,707
Unassigned	-	-	(66,508)	-	-	-	-	(5,581)	-	-	-	-	(21,141)	(93,230)
Total Fund Balances	55,466	45,513	(66,508)	289,197	4,903	5,660	-	(5,581)	31,139	220	17,290	26,317	(21,141)	382,475
Total Liabilities & Fund Balance	$ 55,466	$ 45,513	$ 191,809	$ 524,987	$ 4,903	$ 5,660	$ -	$ 42,457	$ 35,940	$ 220	$ 17,295	$ 26,569	$ -	$ 950,819

DECATUR COUNTY, GEORGIA
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2011

	Law Library	Confiscated Assets	E-911	CDBG EIP	Victim's Assistance	LAG - VFD	One GA Grant	Recovery Act - JAG	Mandatory Drug Fund	Tower Escrow Fund	Telecommunications Reserve Fund	Decatur County Prison Account	FEMA - HMGP	Totals
Revenues														
Charges for services	$ 6,537	$ -	$ 461,924	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 201,195	$ -	$ 669,656
Fines and forfeitures	-	8,284	-	-	-	-	-	-	43,641	-	-	-	-	51,925
Intergovernmental	-	-	392,954	48,684	76,415	-	145,175	45,013	-	-	-	-	694,601	1,402,842
Contributions and donations	-	-	-	-	-	-	-	-	-	-	16,651	-	-	16,651
Interest	-	71	-	4,094	1	-	-	-	64	-	41	-	-	4,271
Total Revenues	6,537	8,355	854,878	52,778	76,416	-	145,175	45,013	43,705	-	16,692	201,195	694,601	2,145,345
Expenditures														
General Government	13,094	-	-	-	-	-	-	-	-	-	-	-	-	13,094
Public Safety	-	8,267	928,415	-	76,431	-	-	18,191	33,466	-	-	197,080	-	1,261,850
Housing and Development	-	-	-	-	-	-	-	-	-	420	-	-	715,742	716,162
Public Safety-Capital Outlay	-	8,086	6,598	-	-	-	-	32,403	-	-	-	-	-	47,087
Public Safety-Principal	-	-	17,338	-	-	-	-	-	-	-	-	-	-	17,338
Public Safety-Interest	-	-	145	-	-	-	-	-	-	-	-	-	-	145
Total Expenditures	13,094	16,353	952,496	-	76,431	-	-	50,594	33,466	420	-	197,080	715,742	2,055,676
Excess (deficiency) of revenues over expenditures	(6,557)	(7,998)	(97,618)	52,778	(15)	-	145,175	(5,581)	10,239	(420)	16,692	4,115	(21,141)	89,669
Other Financing Sources														
Proceeds from sale of capital assets	-	10,570	-	-	-	-	-	-					-	10,570
Transfers in	-	-	63,294	-	4,895	-	-	-	27,847	-	-	-	-	96,036
Transfers (out)	-	-	-	-	-	-	(145,175)	-		-	-	-	-	(145,175)
Total Other Financing Sources	-	10,570	63,294	-	4,895	-	(145,175)	-	27,847	-	-	-	-	(38,569)
Net Change in Fund Balance	(6,557)	2,572	(34,324)	52,778	4,880	-	-	(5,581)	38,086	(420)	16,692	4,115	(21,141)	51,100
Fund Balance-beginning of period	62,023	42,941	(32,184)	236,419	23	5,660	-	-	(6,947)	640	598	22,202	-	331,375
Fund Balance-end of period	$ 55,466	$ 45,513	$ (66,508)	$ 289,197	$ 4,903	$ 5,660	$ -	$ (5,581)	$ 31,139	$ 220	$ 17,290	$ 26,317	$ (21,141)	$ 382,475

DECATUR COUNTY, GEORGIA
Law Library - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fees From Courts	$ 16,000	$ 16,000	$ 6,537	$ (9,463)
Total Revenues	16,000	16,000	6,537	(9,463)
Expenditures				
Books & Publications	16,000	16,000	13,094	2,906
Total Expenditures	16,000	16,000	13,094	2,906
Excess (Deficiency) of Revenues Over Expenditures	-	-	(6,557)	(6,557)
Fund Balance-beginning of period	62,023	62,023	62,023	-
Fund Balance-end of period	$ 62,023	$ 62,023	$ 55,466	$ (6,557)

DECATUR COUNTY, GEORGIA
Confiscated Assets - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Confiscated Assets	$ 34,950	$ 34,950	$ 8,284	$ (26,666)
Interest	50	50	71	21
Total Revenues	35,000	35,000	8,355	(26,645)
Expenditures				
Public Safety	35,000	35,000	8,267	26,733
Total Public Safety Expenditures	35,000	35,000	8,267	26,733
Excess (Deficiency) of Revenues Over Expenditures	-	-	88	88
Other Financing Sources				
Proceeds from sale of capital assets	-	-	10,570	10,570
Total Other Financing Sources	-	-	10,570	10,570
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	10,658	10,658
Fund Balance-beginning of period	42,941	42,941	42,941	-
Fund Balance-end of period	$ 42,941	$ 42,941	$ 53,599	$ 10,658

DECATUR COUNTY, GEORGIA
E-911 - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Local Government Units (Grady County)	$ 440,513	$ 440,513	$ 392,954	$ (47,559)
E-911 Charges	475,000	475,000	461,924	(13,076)
Total Revenues	915,513	915,513	854,878	(60,635)
Expenditures				
Operating Expenditures	926,980	920,380	928,415	(8,035)
Capital Outlay	-	6,600	6,598	2
Principal	50,643	50,643	17,338	33,305
Interest	1,807	1,807	145	1,662
Total Expenditures	979,430	979,430	952,496	26,934
Excess (Deficiency) of Revenues Over Expenditures	(63,917)	(63,917)	(97,618)	(33,701)
Other Financing Sources				
Operating Transfers In	63,917	63,917	63,294	(623)
Total Other Financing Sources	63,917	63,917	63,294	(623)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	(34,324)	(34,324)
Fund Balance - beginning of period	(32,184)	(32,184)	(32,184)	-
Fund Balance - end of period	$ (32,184)	$ (32,184)	$ (66,508)	$ (34,324)

DECATUR COUNTY, GEORGIA
CDBG EIP - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
EIP Principal Payment	$ 125,000	$ 125,000	$ 48,684	$ (76,316)
Interest income	8,000	8,000	4,094	(3,906)
Total Revenues	133,000	133,000	52,778	(80,222)
Expenditures				
Operating Expenditures	133,000	133,000	-	133,000
Total Expenditures	133,000	133,000	-	133,000
Excess (Deficiency) of Revenues Over Expenditures	-	-	52,778	52,778
Fund Balance - beginning of period	236,419	236,419	236,419	-
Fund Balance - end of period	$ 236,419	$ 236,419	$ 289,197	$ 52,778

DECATUR COUNTY, GEORGIA
Victim's Assistance - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ 56,000	$ 76,500	$ 76,415	$ (85)
Interest income	20	20	1	(19)
Total Revenues	56,020	76,520	76,416	(104)
Expenditures				
Victim services payments	56,020	76,520	76,431	89
Total Expenditures	56,020	76,520	76,431	89
Excess (Deficiency) of Revenues Over Expenditures	-	-	(15)	(15)
Other Financing Sources				
Operating Transfers In (General Fund)	-	-	4,895	4,895
Total Other Financing Sources		-	4,895	4,895
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	4,880	4,880
Fund Balance - beginning of period	23	23	23	-
Fund Balance - end of period	$ 23	$ 23	$ 4,903	$ 4,880

DECATUR COUNTY, GEORGIA
Local Assistance Grant VFD - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ -	$ -	$ -	$ -
State grants	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Public Safety	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance - beginning of period	5,660	5,660	5,660	-
Fund Balance - end of period	$ 5,660	$ 5,660	$ 5,660	$ -

DECATUR COUNTY, GEORGIA
One Georgia Grant - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ -	$ 145,175	145,175	$ -
Total Revenues	-	145,175	145,175	-
Expenditures				
Economic development	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	145,175	145,175	-
Other Financing Sources				
Operating Transfers In (Out)	-	(145,175)	(145,175)	-
Total Other Financing Sources	-	(145,175)	(145,175)	-
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	-	-
Fund Balance - beginning of period	-	-	-	-
Fund Balance - end of period	$ -	$ -	$ -	$ -

DECATUR COUNTY, GEORGIA
Recovery Act - JAG - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ -	$ 55,030	45,013	$ (10,017)
Total Revenues	-	55,030	45,013	(10,017)
Expenditures				
Public Safety	-	22,530	18,191	4,339
Capital Outlay	-	32,500	32,403	97
Total Expenditures	-	55,030	50,594	4,436
Excess (Deficiency) of Revenues Over Expenditures	-	-	(5,581)	(5,581)
Fund Balance - beginning of period	-	-	-	-
Fund Balance - end of period	$ -	$ -	$ (5,581)	$ (5,581)

DECATUR COUNTY, GEORGIA
Mandatory Drug Fund - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fines and forfeitures	$ 33,450	$ 33,450	$ 43,641	$ 10,191
Interest income	-	-	64	64
Total Revenues	33,450	33,450	43,705	10,255
Expenditures				
Payments to other agencies	33,450	33,450	33,450	-
Total Expenditures	33,450	33,450	33,450	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	10,255	10,255
Fund Balance - beginning of period	(6,947)	(6,947)	(6,947)	-
Fund Balance - end of period	$ (6,947)	$ (6,947)	$ 3,308	$ 10,255

DECATUR COUNTY, GEORGIA
Tower Escrow Fund - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Charges for services	$ 24,000	$ 24,000	-	$ (24,000)
Total Revenues	24,000	24,000	-	(24,000)
Expenditures				
Contracted Services	24,000	24,000	420	23,580
Total Expenditures	24,000	24,000	420	23,580
Excess (Deficiency) of Revenues Over Expenditures	-	-	(420)	(420)
Fund Balance - beginning of period	640	640	640	-
Fund Balance - end of period	$ 640	$ 640	$ 220	$ (420)

DECATUR COUNTY, GEORGIA
Telecommunications Reserve Fund - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Contributions & donations	$ -	$ 17,000	$ 16,651	$ (349)
Interest Income	-	50	41	(9)
Total Revenues	-	17,050	16,692	(358)
Expenditures				
Housing and Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	17,050	16,692	(358)
Fund Balance - beginning of period	598	598	598	-
Fund Balance - end of period	$ 598	$ 17,648	$ 17,290	$ (358)

DECATUR COUNTY, GEORGIA
Decatur County Prison Account - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Charges for services	$ 100,000	$ 200,000	$ 201,195	$ 1,195
Total Revenues	100,000	200,000	201,195	1,195
Expenditures				
Public Safety	100,000	200,000	197,080	2,920
Total Expenditures	100,000	200,000	197,080	2,920
Excess (Deficiency) of Revenues Over Expenditures	-	-	4,115	4,115
Fund Balance - beginning of period	22,202	22,202	22,202	-
Fund Balance - end of period	$ 22,202	$ 22,202	$ 26,317	$ 4,115

DECATUR COUNTY, GEORGIA
FEMA - HMGP - Special Revenue Fund
Budget Comparison Schedule (Non GAAP)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental	$ -	$ 694,602	694,601	$ (1)
Total Revenues	-	694,602	694,601	(1)
Expenditures				
Health	-	716,800	715,742	1,058
Total Expenditures	-	716,800	715,742	1,058
Excess (Deficiency) of Revenues Over Expenditures	-	(22,198)	(21,141)	1,057
Fund Balance - beginning of period	-	-	-	-
Fund Balance - end of period	$ -	$ (22,198)	$ (21,141)	$ 1,057

DECATUR COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED June 30, 2011

FIDUCIARY FUNDS

DECATUR COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Fiscal Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
MAGISTRATE'S COURT				
Assets				
Cash	$ 466	$ 524,912	$ 524,761	$ 617
Total Assets	$ 466	$ 524,912	$ 524,761	$ 617
Liabilities				
Due to other funds & agencies	$ 211	$ 168,184	$ 168,184	$ 211
Due to others	255	356,728	356,577	406
Total Liabilities	$ 466	$ 524,912	$ 524,761	$ 617
CLERK OF THE COURTS				
Assets				
Cash	$ 81,252	$ 1,952,476	$ 1,964,450	$ 69,278
Total Assets	$ 81,252	$ 1,952,476	$ 1,964,450	$ 69,278
Liabilities				
Due to other funds and agencies	$ 6,419	$ 1,748,013	$ 1,751,758	$ 2,674
Due to others	74,833	204,463	212,692	66,604
Total Liabilities	$ 81,252	$ 1,952,476	$ 1,964,450	$ 69,278
TAX COMMISSIONER				
Assets				
Cash	$ 579,673	$ 22,110,642	$ 22,096,921	$ 593,394
Receivables	388,175	16,971,878	16,936,551	423,502
Total Assets	$ 967,848	$ 39,082,520	$ 39,033,472	$ 1,016,896
Liabilities				
Due to other funds and agencies	$ 612,490	$ 38,916,037	$ 38,777,260	$ 751,267
Due to others	355,358	166,483	256,212	265,629
Total Liabilities	$ 967,848	$ 39,082,520	$ 39,033,472	$ 1,016,896
PROBATE COURT				
Assets				
Cash	$ 64	$ 72,187	$ 72,197	$ 54
Total Assets	$ 64	$ 72,187	$ 72,197	$ 54
Liabilities				
Due to other funds and agencies	$ 64	$ 72,187	$ 72,197	$ 54
Total Liabilities	$ 64	$ 72,187	$ 72,197	$ 54
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	$ 661,455	$ 24,660,217	$ 24,658,329	$ 663,343
Receivables	388,175	16,971,878	16,936,551	423,502
Total Assets	$ 1,049,630	$ 41,632,095	$ 41,594,880	$ 1,086,845
Liabilities				
Due to other funds and agencies	$ 619,184	$ 40,904,421	$ 40,769,399	$ 754,206
Due to others	430,446	727,674	825,481	332,639
Total Liabilities	$ 1,049,630	$ 41,632,095	$ 41,594,880	$ 1,086,845

DECATUR COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED June 30, 2011

INTERNAL SERVICE FUNDS

DECATUR COUNTY, GEORGIA
Combining Statement of Net Assets
Internal Service Funds
June 30, 2011

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Assets			
Current Assets:			
Cash on hand and in banks	$ -	$ 2,704	$ 2,704
Prepaid insurance	57,704	-	57,704
Due from other funds	2,624,901	-	2,624,901
Total current assets	2,682,605	2,704	2,685,309
Noncurrent assets:			
Property, plant & equipment (net of accumulated depreciation)	8,021	-	8,021
Total noncurrent assets	8,021	-	8,021
Total Assets	2,690,626	2,704	2,693,330
Liabilities			
Current liabilities:			
Accounts payable	121,381	-	121,381
Accrued expenses	13,972	-	13,972
Due to other funds	2,993,027	550,105	3,543,132
Total current liabilities	3,128,380	550,105	3,678,485
Total Liabilities	3,128,380	550,105	3,678,485
Net Assets			
Investment in capital assets	8,021	-	8,021
Unrestricted	(445,776)	(547,401)	(993,177)
Total Net Assets (deficit)	$ (437,755)	$ (547,401)	$ (985,156)

DECATUR COUNTY, GEORGIA
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2011

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Operating Revenues			
Charges for services	$ 2,261,027	$ 1,990,013	$ 4,251,040
Total Operating Revenue	2,261,027	1,990,013	4,251,040
Operating Expenses			
Personal services	519,935	-	519,935
Services and supplies	1,729,183	2,285,975	4,015,158
Depreciation	4,812	-	4,812
Total Operating Expense	2,253,930	2,285,975	4,539,905
Operating Income (Loss)	7,097	(295,962)	(288,865)
Nonoperating Revenues (Expenses)			
Interest earned	-	52	52
Total Nonoperating Revenues (Expenses)	-	52	52
Change in net assets	7,097	(295,910)	(288,813)
Net assets (deficit) - beginning of year	(444,852)	(251,491)	(696,343)
Net assets (deficit) - end of year	$ (437,755)	$ (547,401)	$ (985,156)

DECATUR COUNTY, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2011

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Cash flows from Operating Activities			
Cash received from customers	$ 2,261,027	$ 1,990,013	$ 4,251,040
Cash payments to suppliers for goods & services	(1,742,437)	(1,999,063)	(3,741,500)
Cash payments to employees for services	(518,590)	-	(518,590)
Net cash provided (used) by operating activities	-	(9,050)	(9,050)
Cash flows from Investing Activities			
Interest income	-	52	52
Net cash provided (Used) from investing activities	-	52	52
Net increase (decrease) in cash & cash equivalents	-	(8,998)	(8,998)
Cash & cash equivalents - beginning of year	-	11,702	11,702
Cash & cash equivalents - end of year	$ -	$ 2,704	$ 2,704
Displayed as:			
Cash on hand and in banks	$ -	$ 2,704	$ 2,704
Totals	$ -	$ 2,704	$ 2,704

DECATUR COUNTY, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2011

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	$ 7,097	$ (295,962)	$ (288,865)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	4,812	-	4,812
Change in Assets & Liabilities:			
(Increase) decrease in prepaid insurance	(16,869)	-	(16,869)
Increase (decrease) in accounts payable	30,044	-	30,044
Increase (decrease) in accrued expenses	1,345	-	1,345
(Increase) decrease in due from other funds	(26,429)	286,912	260,483
Net cash provided (used) by operating activities	$ -	$ (9,050)	$ (9,050)

STATE REPORTING REQUIREMENTS

DECATUR COUNTY, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
For the Fiscal Year Ended June 30, 2011

Project	Original Estimated Cost	Expenditure			Estimated Percentage of Completion
		Prior Year	Current Year	Total	
November 4, 2003					
Solid Waste, Animal Control, Jail Improvements, Livestock Facility Improvements, Recreation Improvements and Fire Station and Equipment	$ 7,250,000				
Solid Waste		$ 5,920,551	$ -	$ 5,920,551	
Animal Control		19,909	-	19,909	
Jail Improvements		243,101	98,243	341,344	
Livestock Facility Improvements		1,498,971	4,500	1,503,471	
Recreation Improvements		286,514	-	286,514	
Fire Station and Equipment		1,310	-	1,310	111.35%
Road & Bridge Improvements	6,276,800	7,411,797 *	-	7,411,797	118.08%
Total	$ 13,526,800	$ 15,382,153	$ 102,743	$ 15,484,896	114.48%

*Road and Bridge Imrpovement expenditures were reduced by $20,000 to reflect LARP Grant monies received in 2010.

The County has entered into several intergovernmental contracts with local governments.
A detail of payments to these local governments are as follows:

	Prior Year	Current Year	Total
City of Bainbridge	$ 7,445,189	$ -	$ 7,445,189
City of Attapulgus	311,831	-	311,831
City of Climax	189,542	-	189,542
City of Brinson	142,667	-	142,667
Hospital Authority	2,445,724	-	2,445,724
Total	$ 10,534,953	$ -	$ 10,534,953

DECATUR COUNTY, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
For the Fiscal Year Ended June 30, 2011

Project	Original Estimated Cost	Expenditure Prior Year	Expenditure Current Year	Expenditure Total	Estimated Percentage of Completion
September 16, 2008					
Silver Lake Property	$ 3,000,000	$ 442,673	$ 199,655	$ 642,328	21.41%
Telecomumunications System	2,500,000	1,187,401	931,225	2,118,626	84.75%
Landfill	3,000,000	618,148	1,513,124	2,131,272	71.04%
Fire/EMS/911 Center	1,000,000	14,411	79,241	93,652	9.37%
AG Center (Ext. Service/FSA)	260,750	8,130	-	8,130	3.12%
Spec Building	190,000	53,437	-	53,437	28.12%
Jail	250,000	27,425	41,415	68,840	27.54%
Fire Department Equip. & Facilities	660,000	22,123	5,288	27,411	4.15%
Public Safety Equipment	750,000	21,181	70,192	91,373	12.18%
Road & Bridge Improvements	6,200,000	1,642,495	1,456,347	3,098,842	49.98%
Total	$ 17,810,750	$ 4,037,424	$ 4,296,487	$ 8,333,911	46.79%

The County has entered into several intergovernmental contracts with local governments.
A detail of payments to these local governments are as follows:

	Prior Year	Current Year	Total
City of Bainbridge	$ 1,683,575	$ 1,857,811	$ 3,541,386
City of Attapulgus	70,514	77,811	148,325
City of Climax	42,861	47,297	90,158
City of Brinson	32,261	35,600	67,861
Hospital Authority	553,049	610,286	1,163,335
Total	$ 2,382,260	2,628,805	$ 5,011,065

Reconciliation to SPLOST Capital Project Fund:	
Expenditures per Schedule above	$ 6,925,292
SPLOST debt service expenditures reported in the Debt Service Fund	(521,923)
Proceeds from Grant Programs	378,474
Net Adjustments	(143,449)
Expenditures and transfers per Statements on page 6	$ 6,781,843

DECATUR COUNTY, GEORGIA
Community Development Block EIP Grant
Schedule of Revolving Loan Funds
Reconciliation to Local Revolving Loan Semi-Annual Report
Grant #02q-y-043-1-2761
June 30, 2011

	Per Audited Financials	Per Local Revolving Loan Semi-Annual Report
Assets		
Cash	$ 289,198	$ 289,198
Notes receivable	235,789	235,789
Total Assets	$ 524,987	$ 524,987
Liabilities and equity	$ 524,987	$ 524,987



INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Commissioners
Decatur County, Georgia
Bainbridge, Georgia

We have examined management's assertion included in the accompanying Annual Report of 9-1-1 Collections and Expenditures about Decatur County, Georgia's compliance during the fiscal year ended June 30, 2011 with the requirement to expend 9-1-1 funds in compliance with the expenditure requirements of the Official Code of Georgia Annotated, Section 46-5-134. Management is responsible for Decatur County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Decatur County, Georgia's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Decatur County, Georgia's compliance with this requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Decatur County, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that Decatur County, Georgia complied with the aforementioned requirement during the fiscal year ended June 30, 2011 is fairly stated, in all material respects.

This report is intended solely for the information and use of management and the Georgia Department of Audits and Accounts and is not intended to be and should not be used by anyone other than the specified parties.

Coastal CPAs, LLC

Coastal CPAs, LLC

St. Simons Island, Georgia
January 6, 2012

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2011

Line No.		O.C.G.A. Reference:		
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):			
	_X_ Special Revenue Fund _____ Enterprise Fund			
2	Monthly 9-1-1 charge billed to each exchange access facility subscriber:	46-5-134(a)(1)	$ 1.50	
3	Total revenue from exchange access facility subscribers:			$ 178,137
4	Does 9-1-1 system provide automatic number identification of a wireless telecommunications connection? (choose one)			
	_X_ Yes _____ No			
5	If the answer to Line 4 is "yes", indicate below which of the following apply (choose one)			
	_____ System provides location of base station or cell site	46-5-134(a)(2)(A)		
	_X_ System provides automatic location identification	46-5-134(a)(2)(B)		
6	If the answer to Line 4 is "yes", identify the monthly 9-1-1 charge billed to each wireless telecommunications connection subscriber:	46-5-134(a)(2)	$ 1.50	
7	Total revenue from wireless telecommunications connection subscribers:			$ 283,787
8	Total Line 3 plus Line 7 (should equal UCOA Revenue Source 34.2500)			$ 461,924
9	Additional revenue sources:			
9a	Federal (UCOA Revenue Source 33.1000) Identify each funding agency individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ _____
	_____			$ _____
9b	State (UCOA Revenue Source 33.4000) Identify each funding agency individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ _____
	_____			$ _____
9c	Local (UCOA Revenue Source 33.6000) Identify each unit of local government individually. Attach list, if necessary.	46-5-134(j)		
	Grady County			$ 392,954
	_____			$ _____
9d	Private (UCOA Revenue Source 37.1000) Identify each private source individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ _____
	_____			$ _____
10	Investment Income (UCOA Revenue Source 36.1000 through 36.3000)			$ _____
11	Other revenue sources not included above. Identify each source individually. Transfers from other funds of the			

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2011

Line No.		O.C.G.A. Reference:	
	local government should be reported on Line 25 and not included here.		
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
12	Total Revenues (total of all amounts reported on Lines 8 through 11)		$ 854,878
	Expenditures (UCOA Activity 3800)		
13	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	_____		$ _____
	_____		$ _____
	_____		$ _____
14	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
14a	Lease costs	46-5-134(f)(1)	$ _____
14b	Purchase costs	46-5-134(f)(1)	$ _____
14c	Maintenance costs	46-5-134(f)(1)	$ _____
15	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(2)	$ _____
16	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system: Number of employees classified as: Full time 15 Part time 3		
16a	Salaries and wages	46-5-134(f)(3)	$ 484,701
16b	Employee benefits	46-5-134(f)(3)	$ 145,647
17	Cost of training of employees who work as dispatchers	46-5-134(f)(3)	$ 1,205
18	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(4)	$ 9,394
19a	Building used as a public safety answering point:		
19a1	Lease costs	46-5-134(f)(5)	$ _____
19a2	Purchase costs	46-5-134(f)(5)	$ _____

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2011

Line No.		O.C.G.A. Reference:		
19b	Has the local government completed its street addressing plan? (choose one)	46-5-134(f)(5)	$	
	__X__ Yes _____ No			
20	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems:			
20a	Lease costs	46-5-134(f)(6)	$	17,483
20b	Purchase costs	46-5-134(f)(6)	$	6,598
20c	Maintenance costs	46-5-134(f)(6)	$	15,660
21	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(7)	$	
22	Logging recorders used at a public safety answering point to record telephone and radio traffic:			
22a	Lease costs	46-5-134(f)(8)	$	
22b	Purchase costs	46-5-134(f)(8)	$	
22c	Maintenance costs	46-5-134(f)(8)	$	-
23	Other expenditures not included in Lines 13 through 22 above. Identify by object and purpose. Transfers to other funds of the local government should be reported on Line 26 and not included here.			
	Telephone		$	12,621
	Postage		$	293
	Travel		$	3,606
	Dues and subscriptions		$	0
	Contractual Services		$	189,483
	Energy		$	2,118
	Administrative cost - paid with resources transferred from General Fund		$	63,294
	Other services		$	393
24	Total Expenditures (total of all amounts reported on Lines 13 through 23 above)		$	952,496
25	Transfers From Other Funds (identify by fund)			
	General Fund - in an amount equal to administrative cost		$	63,294
			$	
26	Transfers To Other Funds (identify by fund)			
			$	
			$	

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2011

Line No.		O.C.G.A. Reference:	
27	Proceeds from Capital Lease (identify by asset class and, if equipment, purpose)		
	_____		$ -
	_____		$
28	Net Change in Fund Balance (Line 12 - Line 24 + Line 25 - Line 26 + Line 27)		$ (34,324)
29	Fund Balance - Beginning of Year		$ (32,184)
30	Fund Balance - End of Year		$ (66,508)

31a Do amounts on Lines 12, 24, 28, 29, and 30 agree to amounts reported in the government's audited financial statements submitted to the Georgia Department of Audits and Accounts?

__X__ Yes _____ No

31b If the answer to Line 31a is "no", provide explanation (including amounts) to reconcile each line item specified in Line 31a above to government's audited financial statements. Reconciliation should be attached to this report.

Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official _____ Date January 6, 2012

Print Name of Chief Elected Official Dr. David C. Mosely

Title of Chief Elected Official Commission Chairman

Signature of Chief Financial Officer _____ Date January 6, 2012

Print Name of Chief Financial Officer Carl Rowland

GOVERNMENTAL AUDITING STANDARDS REQUIREMENTS



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 Board of Commissioners
Decatur County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Decatur County, Georgia, as of and for the year ended June 30, 2011, which collectively comprise Decatur County, Georgia's basic financial statements and have issued our report thereon dated January 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Decatur County Health Department and the Hospital Authority of Bainbridge, Decatur County, Georgia as described in our report on Decatur County's financial statements. This report does not include the results of 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 our audit, we considered Decatur County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Decatur County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Decatur County, Georgia's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, as discussed below, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Decatur County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Decatur County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Decatur County, Georgia's response and, accordingly, we express no opinion on it.

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

Coastal CPAs, LLC

Coastal CPAs, LLC

St. Simons Island, Georgia
January 6, 2012

SINGLE AUDIT SECTION



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Decatur County, Georgia

Compliance

We have audited Decatur County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2011. Decatur County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

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

Coastal CPAs, LLC

Coastal CPAs, LLC

St. Simons Island, Georgia
January 6, 2012

Decatur County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

Federal Grants Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
Pass-through Programs:			
U.S. Department of Justice			
Pass-through Office of the Governor			
Recovery Act - Edward Byrne Memorial Justice Grant (JAG)	16.803	B82-8-283	50,594
Sub-total CFDA Number 16.803			50,594
Pass-through Crimal Justice Coordinating Council			
Victims of Crime Act (VOCA) Victim Assistance Formula Grant	16.575	C09-8-178	39,448
Sub-total CFDA Number 16.575			39,448
Pass-through Office on Violence Against Women			
VAWA - Violence Against Women	16.588	W10-8-037	31,500
Sub-total CFDA Number 16.588			31,500
U.S. Department of Transportation:			
Federal Aviation Administration			
Pass-through Georgia Department of Transportation			
Airport Improvement Program	20.106	AP011-9016-20	$ 261,792
Sub-total CFDA Number 20.106			261,792
U. S. Department of Homeland Security:			
Federal Emergency Management Agency Pass-through Georgia Emergency Management Agency			
Public Assistance	97.042	1833-0033	630,450
Sub-total CFDA Number 97.042			630,450
Sub-total pass-through awards			1,013,784
Total Expenditures of Federal Awards			$ 1,013,784

DECATUR COUNTY, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011

NOTE A – SIGNIFICANT ACCOUNTING POLICY

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Decatur County, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts may differ from amounts presented in, or used in, the preparation of the basic financial statements.

DECATUR COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

A. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

1. The auditors' opinion on the Decatur County, Georgia's financial statements was an unqualified opinion.

2. A significant deficiency in internal control over financial reporting was disclosed during the audit of the financial statements.

3. The audit of Decatur County, Georgia disclosed two instances of noncompliance that were not deemed material to the financial statements.

4. No material weaknesses were identified.

FEDERAL AWARDS

5. No significant deficiencies in the internal control over major programs were identified.

6. The auditors' report on compliance for the major federal award programs for Decatur County, Georgia expresses an unqualified opinion.

7. The audit disclosed no findings relating to major programs that are required to be reported under Section 510(a) of OMB Circular A-133.

8. The following programs were tested as a major program:

	CFDA Number	Amount
Type A – High Risk Programs		
U.S. Department of Homeland Security		
Federal Emergency Management Agency		
Public Assistance	97.042	$ 630,450

9. The threshold for distinguishing between Types A and B programs was $300,000.

10. Decatur County, Georgia did not qualify as a low-risk auditee as defined by Section .530 of OMB Circular A-133.

DECATUR COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

B. FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

11-01 Improper Segregation of Duties
(Repeat violation No. 10-01 from June 30, 2010)

Criteria – Internal control systems are typically more effective when the number of employees is sufficient to create a proper separation of duties.

Condition – Due to the limited number of employees in each of the County's offices, there is not a proper separation of duties to create an effective system of internal control. This condition is common in most local governmental units.

Effect – Transactions might not be processed in conformity with the internal control system of the County and, if material, the financial statements might not conform with generally accepted accounting principles and/or lack of compliance with applicable laws and regulations could occur.

Recommendation – While it may not be practical to hire sufficient personnel to create a more effective system of internal control in each office, we do recommend that the elected officials of each office be made aware of this condition and that it is their responsibility to monitor the activities of their respective office and to properly account for all transactions of said office.

Management's Response – Management acknowledges the finding and will continue to communicate to all departments and offices that it is the responsibility of the supervisor or elected official to monitor the activities and accounting records for compliance with County policies and procedures and applicable laws and regulations.

C. NON-COMPLIANCE WITH LAWS AND REGULATIONS

No non-compliance with laws and regulations was noted.

D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

No significant deficiencies or material weaknesses in internal control were noted.

DECATUR COUNTY, GEORGIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES

Decatur County, Georgia was not subject to Single Audit procedures pursuant to OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* for the fiscal year ended June 30, 2010.