DECATUR COUNTY, GEORGIA

REPORT ON EXAMINATION

OF

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

DECATUR COUNTY, GEORGIA
For The Fiscal Year Ended June 30, 2012
Table of Contents

FINANCIAL SECTION	Page
Independent Auditor's Report	i-ii
Management's Discussion and Analysis	I-XIII
Basic Financial Statements	
Statement of Net Assets	1
Statement of Activities	2-3
Balance Sheet - Governmental Funds	4
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	5
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Net Activities	7
Statement of Net Assets - Proprietary Funds	8
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	9
Statement of Cash Flows - Proprietary Funds	10-11
Statement of Fiduciary Assets and Liabilities	12
Statement of Net Assets - Component Units	13
Statement of Activities - Component Units	14
Notes to the Financial Statements	15-55
Required Supplementary Information:	
Major Funds:	
Budgetary Comparison Schedule - General Fund	56-57
Budget Comparison Schedule - Debt Service Fund	58
Note A - to Required Supplementary Information - Budget and Budgetary Accounting	59

GASB 27 Required Supplementary Information - Schedule of Funding Progress 60

Notes to Required Supplementary Information - Employee Retirement System 61

Supplemental Information

Combining and Individual Fund Statements and Schedules:
Governmental Funds:

Non-major Governmental Funds:
Non-major Special Revenue Funds - Combining Balance Sheet 62

Non-major Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balance 63

Law Library - Special Revenue Fund - Budget Comparison Schedule (GAAP) 64

Confiscated Assets - Special Revenue Fund - Budget Comparison Schedule (GAAP) 65

E-911 - Special Revenue Fund - Budget Comparison Schedule (GAAP) 66

CDBG-EIP - Special Revenue Fund - Budget Comparison Schedule (GAAP) 67

Victim's Assistance - Special Revenue Fund - Budget Comparison Schedule (GAAP) 68

Local Assistance Grant VFD - Special Revenue Fund - Budget Comparison Schedule (GAAP) 69

Recovery Act - JAG - Special Revenue Fund - Budget Comparison Schedule (GAAP) 70

Mandatory Drug Fund - Special Revenue Fund - Budget Comparison Schedule (GAAP) 71

Tower Escrow Fund - Special Revenue Fund - Budget Comparison Schedule (GAAP) 72

Telecommunications Reserve Fund - Special Revenue Fund - Budget Comparison Schedule (GAAP) 73

Decatur County Prison Account - Special Revenue Fund - Budget Comparison Schedule (GAAP) 74

FEMA - HMGP - Special Revenue Fund - Budget Comparison Schedule (GAAP) 75

DECATUR COUNTY, GEORGIA
For The Fiscal Year Ended June 30, 2012
Table of Contents

Agency Funds:
Combining Statement of Changes in Fiduciary Assets and Liabilities 76

Combining Statement of Net Assets - Internal Service Fund 77

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets 78

Combining Statement of Cash Flows 79-80

STATE REPORTING REQUIREMENTS

Schedule of Special Purpose Local Option Sales Tax 81-82

Community Development Block EIP Grant Schedule of Revolving Loan Funds Reconciliation to Local Revolving Loan Semi-Annual Report Grant # 02q-y-043-1-2761 83

Independent Auditor's Report on Management's Assertion included in the Annual Report of 9-1-1 Collections and Expenditures 84

Annual Report of 9-1-1 Collections and Expenditures 85-88

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 Governmental Auditing Standards. 89-90

Schedule of Findings and Questioned Costs 91-92

Summary Schedule of Prior Year Findings and Questioned Costs 93



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, 2012, 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 31.46% and 59.61%, 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, 2012, 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 December 21, 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

2467 Demere Road, St. Simons Island, GA ~ 912-638-1010 (ofc) / 912-638-1013 (fax)
140 The Lakes Boulevard, Suite 200, Kingsland, GA ~ 912-223-0108 (ofc) / 912-638-1013 (fax)

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

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 81-82) 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 80 and the schedules on pages 81 through 88 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of special purpose local option sales tax proceeds 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
December 21, 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, 2012. 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.

FINANCIAL HIGHLIGHTS

The County's net assets totaled $44,675,083 for its governmental and business-type activities, a decrease of $1,111,876 from the previous fiscal year.

- Total combined revenues for governmental and business-type activities were $27,853,126.
- Overall expenses were $28,965,002, of which governmental activities were $22,778,596 and business-type activities were $6,186,406.
- As of June 30, 2012, governmental activities' expenses exceeded program revenue, resulting in the use of $17,235,769 in general revenues (primarily taxes).
- In the County's business-type activities, revenues were $5,704,688 and expenses were $6,186,406, for an operating loss of $481,718 for 2012. 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 $15,521 more than budgeted and expenditures were $674,104 less than budgeted.
- The combined governmental funds' balance as of June 30, 2012 was $5,731,473 of which the General Fund comprised $8,150,140, the Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Funds comprised $(2,540,518), and other governmental funds comprised $121,851.
- The General Fund reported a decrease of $814,224 in unassigned fund balance to $3,293,526 from the prior fiscal year. This compares with an unassigned fund balance of $4,107,750 and a decrease of $2,548,513 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 76. 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 $1,111,876 from a year ago—from $45,786,959 to $44,675,083. 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:	2011	2012	2011	2012	2011	2012	2011-2012
Current assets	$ 9,915	$ 7,358	$ (980)	$ (1,965)	$ 8,935	$ 5,393	-39.6%
Restricted assets- non current	-	-	91	91	91	91	0.0%
Pension net excess	307	316	-	-	307	316	-
Capital assets- net	35,066	36,131	16,749	17,963	51,815	54,094	4.4%
Total assets	**45,288**	**43,805**	**15,860**	**16,089**	**61,148**	**59,894**	**-2.1%**
Liabilities:							
Long-term debt outstanding	9,486	7,647	4,156	4,705	13,642	12,352	-9.5%
Other liabilities	1,585	2,618	134	249	1,719	2,867	66.8%
Total liabilities	**11,071**	**10,265**	**4,290**	**4,954**	**15,361**	**15,219**	**-0.9%**
Net assets:							
Invested in capital assets, net of debt	25,627	28,459	15,764	17,144	41,391	45,603	10.2%
Restricted	4,982	1,297	91	91	5,073	1,388	-72.6%
Unrestricted (deficit)	3,608	3,784	(4,285)	(6,100)	(677)	(2,316)	242.1%
Total net assets	**$ 34,217**	**$ 33,540**	**$ 11,570**	**$ 11,135**	**$ 45,787**	**$ 44,675**	**-2.4%**

The County's total net assets (governmental and business-type activities) were $44,675,083 as of June 30, 2012. The County's unrestricted net assets were a negative $2,315,771 at June 30, 2012; however, $45,603,079 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 3.7 percent to $11,135,855 compared to $11,569,710 in 2011.

CHANGES IN NET ASSETS

The County's total change in net assets was a negative $1,111,876 from the prior fiscal year as a result of a negative $678,021 in its governmental activities and a negative $433,855 in its business-type activities.

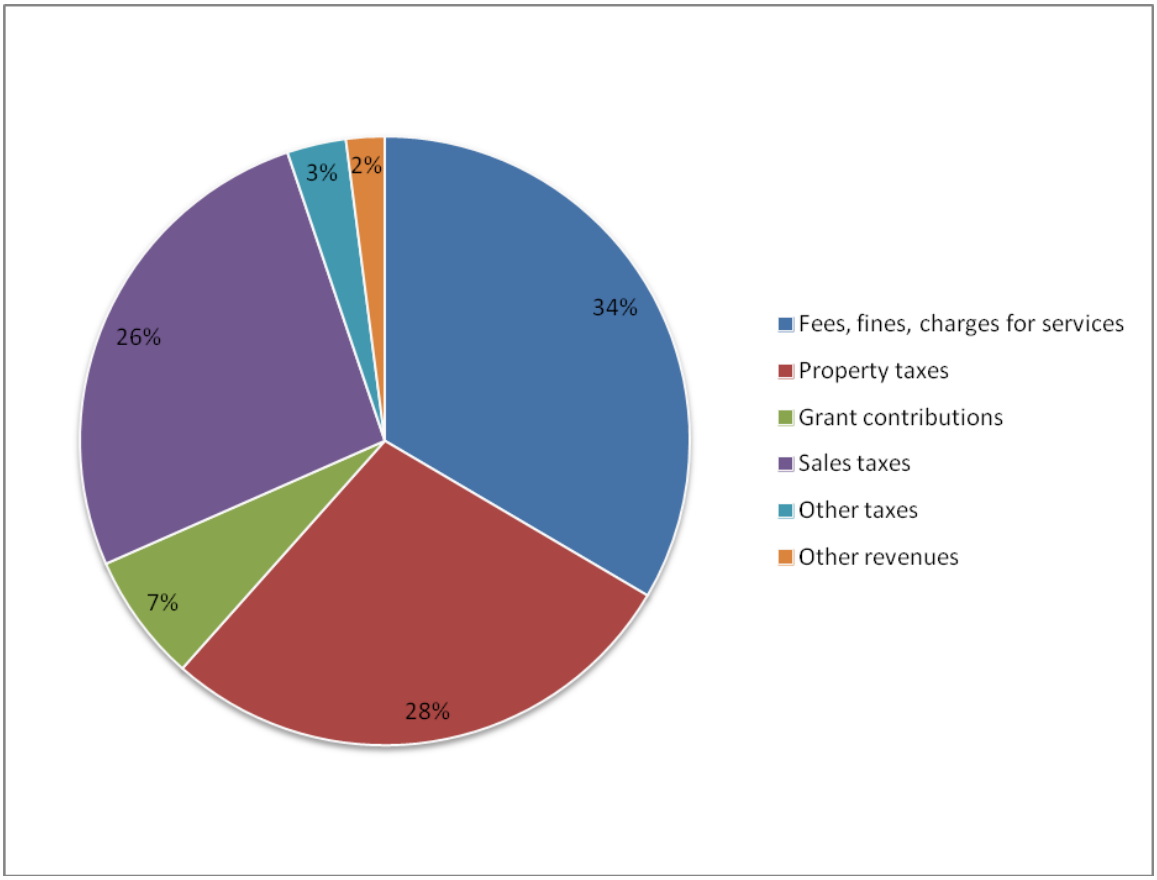
Table 2
Changes in Net Assets
(000's omitted)

	Governmental Activities		Business Type Activities		Total Primary Government		Total % Change
	2011	2012	2011	2012	2011	2012	2011-2012
Revenues							
Program revenues:							
Charges for services	$ 4,231	$ 3,878	$ 4,479	$ 5,444	$ 8,710	$ 9,322	7.0%
Operating grants	1,574	898	-	-	1,574	898	-42.9%
Capital grants	492	766	418	261	910	1,027	12.9%
General revenues:							
Property taxes	7,176	7,828	-	-	7,176	7,828	9.1%
Other taxes	8,393	8,231	-	-	8,393	8,231	-1.9%
Grants not restricted to specific programs	4	1	-	-	4	1	-75.0%
Investment earnings	80	52	-	1	80	53	-33.8%
Miscellaneous	550	458	3	-	553	458	-17.2%
Total general / program revenues	**22,500**	**22,112**	**4,900**	**5,706**	**27,400**	**27,818**	**1.5%**
Program Expense							
General government	1,677	1,678	-	-	1,677	1,678	0.1%
Judicial	1,598	1,642	-	-	1,598	1,642	2.8%
Public safety	12,468	12,028	1,443	1,446	13,911	13,474	-3.1%
Public works	5,644	5,440	3,582	4,741	9,226	10,181	10.4%
Health and welfare	1,292	528	-	-	1,292	528	-59.1%
Culture and recreation	289	295	-	-	289	295	2.1%
Housing and development	798	866	-	-	798	866	8.5%
Interest and fiscal charges	355	301	-	-	355	301	-15.2%
Total program expenses	**24,121**	**22,778**	**5,025**	**6,187**	**29,146**	**28,965**	**-0.6%**
Changes in net assets	(1,621)	(666)	(125)	(481)	(1,746)	(1,147)	34.3%
Special item	82	34	6	1	88	35	-60.2%
Transfers	308	(46)	(308)	46	-	-	-
Changes in net assets	**$ (1,231)**	**$ (678)**	**$ (427)**	**$ (434)**	**$ (1,658)**	**$ (1,112)**	**32.9%**

Depreciation expenses of $2,915,852 were allocated to the governmental and business type activities. $1,906,954 was allocated to the function of governmental activities and $1,008,898 was allocated to the function of business type activities.

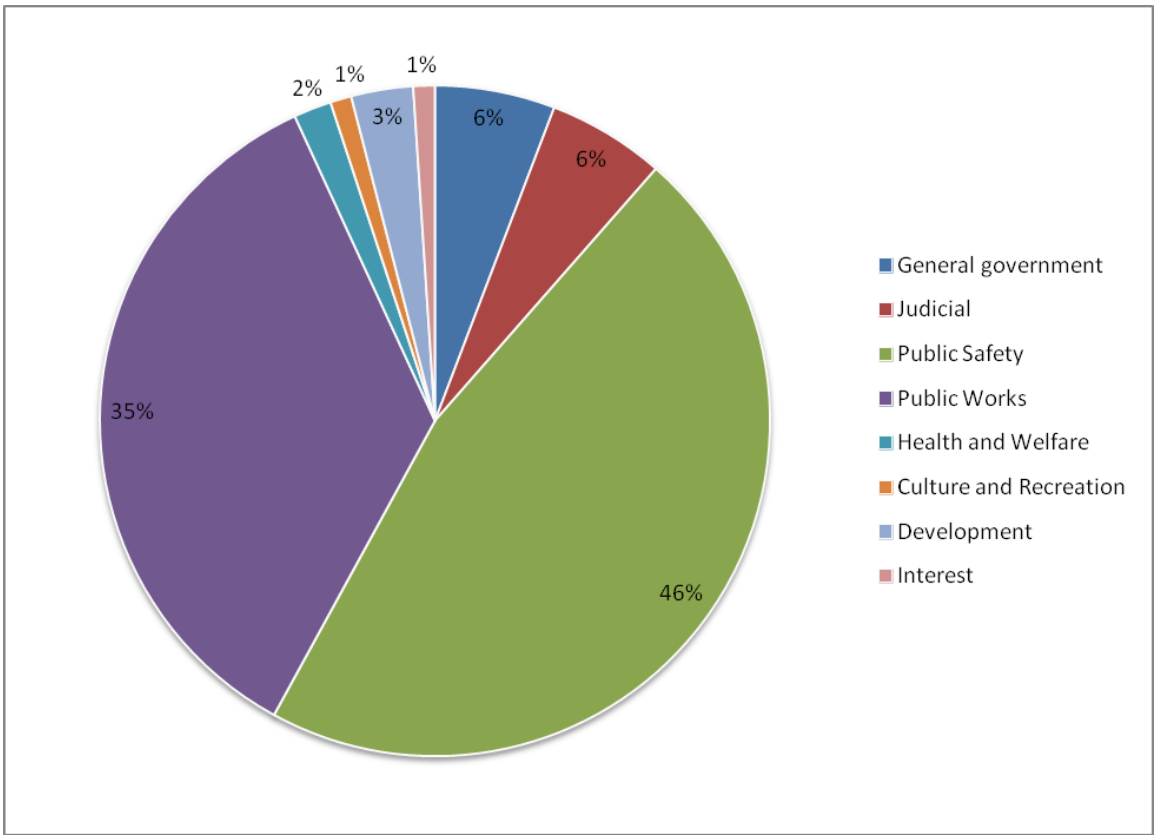
As can be seen from the chart following, approximately 28% of the County's combined total revenue is provided by property taxes, 34% by fees, fines, and charges for services, 26% by sales taxes, 3% by other taxes, and the remaining 9% by a combination of grants, contributions, investment income and other 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 2012



The County's major expenses, at 46% 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 2012



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 2012 fiscal year with a balance of $5,731,473 in its governmental funds. Of this, there is a non-spendable portion of $3,735,409 in the General Fund. Restricted fund balance is made up of $72,927 restricted for capital projects, $49,710 restricted for legal reference materials, $93,770 restricted for public safety, $75,334 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 $3,293,526 in the General Fund, a deficit of $2,613,445 in the SPLOST IV capital projects fund, and a deficit of $96,963 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 $8,150,140, of which $3,293,526 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 20% of that total. Therefore, the unassigned fund balance could fund 20% of one year's normal budgeted appropriations.

The fund balance in the General Fund increased $295,272 during FY 2012, primarily due to an increase in revenues and decrease in expenditures. Additional information about the General Fund can be found on pages 56-57.

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, 2012.

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

This space intentionally left blank.

SPLOST expenditures during FY 2012 consisted of the following:

Description	SPLOST IV	SPLOST V
Solid Waste Activities	$ -	$ 1,827,419
Silver Lake Property	-	199,655
Telecommunications System	-	774,241
Jail Improvements	-	229,120
Livestock Facility Improvements	4,501	-
Recreation Improvements	-	-
Fire Station and Equipment	-	-
Fire/EMS/911 Center	-	-
Public Safety Equipment	-	77,016
Ag Center	-	733,440
Spec Building	-	-
Road and Bridge Improvements	-	680,548
Total	$ 4,501	$ 4,521,439

Additional information on the SPLOST Capital Projects funds can be found on pages 4-7 and pages 81-82.

Other Governmental Funds

Combined assets were $827,923; liabilities $706,072; restricted fund balance was $218,814; unassigned fund balance was a negative $96,963 for the year ended June 30, 2012. 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
- Recovery Act – JAG Fund
- Mandatory Drug Fund
- Tower Escrow Fund

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

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 $701,531. This compares to last year's operating losses of Water and Sewer, Natural Gas, Airport, Landfill, and Ambulance Service Funds of $487,735. 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 76 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 $1,032,372.

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 were prepared on the GAAP basis. The actual revenues and expenditures on the GAAP basis, along with transfers and proceeds from the sale of capital assets, resulted in a surplus of $295,272.

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 $15,521 more than budgeted and actual expenditures were $674,104 less than budgeted and other financing sources/uses and special items reflects a positive $236 variance resulting in the increase in unassigned financial resources of $689,861.

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, 2012, amounts to $54,093,168 net of accumulated depreciation of $35,774,334. 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 $1,063,879 for governmental activities and increased $1,213,180 for business-type activities. Depreciation expense for the period was $2,915,852, of which $1,400,386 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, 2012, Decatur County had $12,351,889 in outstanding long-term debt principal, of which $2,041,793 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. $439,415 of the debt due within one year represents current payments on capital leases for equipment used in the General and Landfill 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 $125,133. 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 $32,245. 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 $1,425,000. 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 $842,548 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 $3,043,064 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 6 of the Notes to the Financial Statements, beginning on page 31.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2012 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, 2012

ASSETS	Governmental Activities	Business-Type Activities	Total	Total Component Units
Cash on hand and in banks	$ 1,055,928	$ 31,057	$ 1,086,985	$ 1,081,216
Pooled cash	170	-	170	-
Receivable (net, where applicable, of allowances for uncollectible):				
Taxes	209,997	-	209,997	-
Accounts	25,987	1,199,417	1,225,404	8,458,929
Other	485,624	-	485,624	691,910
Internal balances	3,195,074	(3,195,074)	-	-
Due from other governments	1,765,699	-	1,765,699	138,935
Inventory, at cost	15,775	-	15,775	515,249
Prepaid expenses	500,029	-	500,029	301,920
Deferred charges	104,063	-	104,063	-
Restricted assets	-	91,338	91,338	3,183,366
Pension net excess	315,759	-	315,759	-
Land and construction in progress	10,187,139	3,692,654	13,879,793	900,038
Other capital assets, net of depreciation	25,943,362	14,270,013	40,213,375	12,223,791
Total Assets	43,804,606	16,089,405	59,894,011	27,495,354
LIABILITIES				
Accounts payable and accrued expenses	405,985	162,832	568,817	4,041,074
Accrued liabilities	486,008	86,125	572,133	3,091,844
Deferred revenue	507,089	-	507,089	-
Short-term notes payable	1,219,000	-	1,219,000	-
Long-term liabilities:				
Portion due and payable within one year:				
Capital leases, notes and bonds payable	1,826,881	214,912	2,041,793	83,936
Portion due and payable after one year:				
Capital leases, notes and bonds payable	5,820,415	604,068	6,424,483	2,724,104
Accrued closure/postclosure costs	-	3,885,613	3,885,613	-
Compensated absences payable	-	-	-	74,203
Total Liabilities	10,265,378	4,953,550	15,218,928	10,015,161
NET ASSETS				
Investment in capital assets, net of related debt	28,459,392	17,143,687	45,603,079	10,315,789
Restricted for:				
Capital projects	72,927	-	72,927	-
Other projects	121,851	-	121,851	-
Other purposes	1,101,659	91,338	1,192,997	452,694
Unrestricted	3,783,399	(6,099,170)	(2,315,771)	6,711,710
Total net assets	$ 33,539,228	$ 11,135,855	$ 44,675,083	$ 17,480,193

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

DECATUR COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2012

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	$ 1,677,787	$ 75,624	$ -	$ -	$ (1,602,163)		$ (1,602,163)	
Judicial	1,642,192	1,178,079	95,842	-	(368,271)		(368,271)	
Public Safety	12,027,775	2,618,495	572,590	1,194	(8,835,496)		(8,835,496)	
Public Works	5,439,998	-	-	740,258	(4,699,740)		(4,699,740)	
Health and Welfare	528,241	-	179,716	-	(348,525)		(348,525)	
Culture and Recreation	294,905	-	-	-	(294,905)		(294,905)	
Housing and Development	866,508	5,851	50,165	25,013	(785,479)		(785,479)	
Interest on long-term debt	301,190	-	-	-	(301,190)		(301,190)	
Total governmental activities	22,778,596	3,878,049	898,313	766,465	(17,235,769)		(17,235,769)	
Business-type:								
Water and Sewer	707,777	265,114	-	-	-	$ (442,663)	(442,663)	
Natural Gas	355,529	503,632	-	-	-	148,103	148,103	
Airport	1,423,829	736,072	-	258,838	-	(428,919)	(428,919)	
Ambulance Service	1,445,415	952,040	-	1,770	-	(491,605)	(491,605)	
Landfill	2,253,856	2,987,222	-	-	-	733,366	733,366	
Total business-type activities	6,186,406	5,444,080	-	260,608	-	(481,718)	(481,718)	
Total primary government	$ 28,965,002	$ 9,322,129	$ 898,313	$ 1,027,073				
Component units:								
Hospital Authority of Bainbridge and Decatur County	$ 38,936,162	$ 38,950,616	$ -	$ -				$ 14,454
Decatur County Health Department	1,563,322	463,371	1,061,016	-				(38,935)
Total component units	$ 40,499,484	$ 39,413,987	$ 1,061,016	$ -				(24,481)

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

DECATUR COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2012

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)					(17,235,769)	(481,718)	(17,717,487)	(24,481)
General revenues:								
Taxes								
Property taxes, levied for general purposes					7,828,349	-	7,828,349	-
Sales taxes					7,357,930	-	7,357,930	582,984
Intangible taxes					115,871	-	115,871	-
Insurance premium tax					593,980	-	593,980	-
Other general taxes					163,321	-	163,321	-
Grants not restricted to specific programs					993	-	993	-
Investment earnings					51,782	359	52,141	-
Miscellaneous					457,369	-	457,369	53,857
Special item - sale of capital assets					34,288	1,369	35,657	-
Transfers					(46,135)	46,135	-	-
Total general revenues, extraordinary items, and transfers					16,557,748	47,863	16,605,611	636,841
Change in net assets					(678,021)	(433,855)	(1,111,876)	612,360
Net assets - beginning					34,217,249	11,569,710	45,786,959	16,867,833
Net assets - ending					$ 33,539,228	$ 11,135,855	$ 44,675,083	$ 17,480,193

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

DECATUR COUNTY, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Debt Service Fund	SPLOST 4	SPLOST 5	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 421,078	$ -	$ 45	$ 418,990	$ 199,431	$ 1,039,544
Taxes receivable, net	209,997	-	-	-	-	209,997
Due from other funds	11,943,444	-	-	-	44,029	11,987,473
Receivable from other governments	823,615	-	-	843,244	98,840	1,765,699
Other receivables	25,987	-	-	-	485,623	511,610
Inventories	15,775	-	-	-	-	15,775
Prepaid expenses	436,214		-	-	-	436,214
Total assets	$ 13,876,110	$ -	$ 45	$ 1,262,234	$ 827,923	$ 15,966,312
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 246,263	$ -	$ 30	$ 61,667	$ 37,414	$ 345,374
Due to other funds	3,775,984	-	2,613,460	1,106,174	159,505	7,655,123
Deferred revenue	32,622	-	-	21,466	485,624	539,712
Short-term notes payable	1,219,000	-	-	-	-	1,219,000
Other accrued expenses	369,092	-	-	-	23,529	392,621
Other payables	83,009	-	-	-	-	83,009
Total liabilities	5,725,970	-	2,613,490	1,189,307	706,072	10,234,839
Fund balances:						
Nonspendable:						
Long-Term Interfund Receivable	3,719,634	-	-	-	-	3,719,634
Inventories	15,775	-	-	-	-	15,775
Restricted for:						
Capital Projects	-	-	-	72,927	-	72,927
Legal Reference Materials	-	-	-	-	49,710	49,710
Public Safety	-	-	-	-	93,770	93,770
Economic Development	-	-	-	-	75,334	75,334
Other Purposes	35,321	-	-	-	-	35,321
Committed to:						
Retirement	1,085,884	-	-	-	-	1,085,884
Unassigned	3,293,526	-	(2,613,445)	-	(96,963)	583,118
Total fund balances (deficit)	8,150,140	-	(2,613,445)	72,927	121,851	5,731,473
Total liabilities and fund balances	$ 13,876,110	$ -	$ 45	$ 1,262,234	$ 827,923	$ 15,966,312

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, 2012

Total fund balance, governmental funds	$	5,731,473
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.		36,127,293
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.		(1,124,687)
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.		32,622
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.		315,759
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.		(7,543,232)
Net Assets of Governmental Activities in the Statement of Net Assets	$	33,539,228

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, 2012

	General Fund	Debt Service Fund	SPLOST 4	SPLOST 5	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 7,908,468	$ -	$ -	$ -	$ -	$ 7,908,468
Sales and miscellaneous taxes	3,477,847	2,105,605	-	2,689,394	-	8,272,846
Fees and fines	1,123,531	-	-	-	78,852	1,202,383
Licenses and permits	107,231	-	-	-	-	107,231
Intergovernmental	301,676	-	-	715,065	714,501	1,731,242
Charges for services	1,999,927	-	-	-	639,341	2,639,268
Investment earnings	51,194	-	1,194	25,193	6,439	84,020
Miscellaneous	192,956	-	-	-	-	192,956
Contributions and donations	300	-	-	-	25,013	25,313
Total Revenues	15,163,130	2,105,605	1,194	3,429,652	1,464,146	22,163,727
EXPENDITURES						
Current:						
General Government	1,474,713	-	-	-	10,936	1,485,649
Judicial	1,618,517	-	-	-	-	1,618,517
Public Safety	10,125,661	-	-	-	1,282,733	11,408,394
Public Works	2,382,553	-	-	-	-	2,382,553
Health and Welfare	280,472	-	-	-	-	280,472
Culture and Recreation	196,114	-	-	-	-	196,114
Housing and Development	420,367	-	-	-	504,903	925,270
Intergovernmental	-	-	-	2,134,316	-	2,134,316
Capital Outlay						
General Government	5,950	-	-	-	-	5,950
Judicial	4,975	-	-	-	-	4,975
Public Safety	92,417	-	4,501	344,297	2,430	443,645
Public Works	11,906	-	-	1,815,366	-	1,827,272
Culture and Recreation	-	-	-	733,440	-	733,440
Housing and Development	4,500	-	-	-	-	4,500
Debt Service:						
Principal	-	1,796,477	-	-	-	1,796,477
Interest and other charges	-	309,128	-	-	-	309,128
Total Expenditures	16,618,145	2,105,605	4,501	5,027,419	1,801,002	25,556,672
Excess (deficiency) of revenues over expenditures	(1,455,015)	-	(3,307)	(1,597,767)	(336,856)	(3,392,945)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,787,163	-	-	-	82,112	1,869,275
Transfers out	(82,112)	-	-	(1,827,419)	(5,880)	(1,915,411)
Total other financing sources (uses)	1,705,051	-	-	(1,827,419)	76,232	(46,136)
SPECIAL ITEM						
Proceeds from sale of assets	45,236	-	-	-	-	45,236
Net change in fund balances	295,272	-	(3,307)	(3,425,186)	(260,624)	(3,393,845)
Fund Balances (deficit) - beginning	7,854,868	-	(2,610,138)	3,498,113	382,475	9,125,318
Fund balances (deficit) - ending	$ 8,150,140	$ -	$(2,613,445)	$ 72,927	$ 121,851	$ 5,731,473

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, 2012

Net change in fund balances - total governmental funds:	$	(3,393,845)
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 $2,981,774 exceeded depreciation $1,902,134 in the current period.		1,079,640
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets.		(10,952)
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.		(51,304)
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.		1,796,477
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		9,031
Unamortized premium		42,626
Deferred charges		(34,687)
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.		(115,007)
Change in net assets of governmental activities	$	(678,021)

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Net Assets
Proprietary Funds
June 30, 2012

	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	$ -	$ -	$ 30,857	$ 200	$ -	$ 31,057	$ 16,553
Accounts receivable	27,480	78,196	37,498	279,721	776,521	1,199,416	-
Prepaid insurance	-	-	-	-	-	-	63,815
Due from other funds	-	439,460	-	-	-	439,460	4,754,545
Total current assets	27,480	517,656	68,355	279,921	776,521	1,669,933	4,834,913
Noncurrent assets:							
Restricted assets:							
Cash and investments, at cost	91,338	-	-	-	-	91,338	-
Property, plant & equipment (net of accumulated depreciation)	3,327,372	74,722	3,661,919	248,418	10,650,236	17,962,667	3,208
Total noncurrent assets	3,418,710	74,722	3,661,919	248,418	10,650,236	18,054,005	3,208
Total Assets	3,446,190	592,378	3,730,274	528,339	11,426,757	19,723,938	4,838,121
Liabilities							
Current liabilities:							
Accounts payable	101,161	25,070	1,800	17,857	16,944	162,832	60,611
Accrued expenses	7,752	19,215	5,335	35,874	7,644	75,820	10,378
Due to other funds	1,156,290	102,410	653,370	1,213,230	519,499	3,644,799	5,881,555
Accrued interest-G.E.F.A.	10,305	-	-	-	-	10,305	-
Capital leases	-	-	-	-	194,912	194,912	-
Total current liabilities	1,275,508	146,695	660,505	1,266,961	738,999	4,088,668	5,952,544
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	-	-	-	-	3,885,613	3,885,613	-
Capital leases	-	-	-	-	449,068	449,068	-
Revenue bonds	155,000	-	-	-	-	155,000	-
Total noncurrent liabilities	155,000	-	-	-	4,334,681	4,489,681	-
Total Liabilities	1,450,508	146,695	660,505	1,266,961	5,073,680	8,598,349	5,952,544
Net Assets							
Investment in capital assets, net of related debt	3,152,372	74,722	3,661,919	248,418	10,006,256	17,143,687	3,208
Restricted for debt service	91,338	-	-	-	-	91,338	-
Unrestricted	(1,248,028)	370,961	(592,150)	(987,040)	(3,653,179)	(6,109,436)	(1,117,631)
Total Net Assets	$ 1,995,682	$ 445,683	$ 3,069,769	$ (738,622)	$ 6,353,077	11,125,589	$ (1,114,423)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						10,266	
Net assets of business-type activities						$ 11,135,855	

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, 2012

	Business-Type Activities - Enterprise Funds						
	Water and Sewer	Natural Gas	Airport	Ambulance Service	Landfill	Totals	Internal Service Funds
Operating Revenues							
Charges for services	$ 265,114	$ 503,632	$ 727,397	$ 952,040	$ 2,987,222	$ 5,435,405	$ 4,084,755
Rental income	-	-	8,675	-	-	8,675	-
Total Operating Revenue	265,114	503,632	736,072	952,040	2,987,222	5,444,080	4,084,755
Operating Expenses							
Personal services	222,206	16,891	118,305	1,051,357	217,672	1,626,431	472,828
Services and supplies	350,099	303,507	1,020,702	172,194	605,810	2,452,312	3,736,409
Allocated administration cost	43,374	30,741	80,193	116,201	72,146	342,655	-
Depreciation	80,813	4,266	202,832	96,141	624,842	1,008,894	4,813
Closure post - closure cost	-	-	-	-	715,319	715,319	-
Total Operating Expense	696,492	355,405	1,422,032	1,435,893	2,235,789	6,145,611	4,214,050
Operating Income (Loss)	(431,378)	148,227	(685,960)	(483,853)	751,433	(701,531)	(129,295)
Nonoperating Revenues (Expenses)							
Intergovernmental	-	-	258,838	1,770	-	260,608	-
Interest earned	359	-	-	-	-	359	28
Special Item - Gain (Loss) on disposal of assets	-	-	-	-	1,369	1,369	-
Interest expense	(9,750)	-	-	(363)	(16,412)	(26,525)	-
Total Nonoperating Revenues (Expenses)	(9,391)	-	258,838	1,407	(15,043)	235,811	28
Net Income before Transfers	(440,769)	148,227	(427,122)	(482,446)	736,390	(465,720)	(129,267)
Transfers							
Transfers in	-	-	-	-	1,827,419	1,827,419	-
Transfers out	-	-	-	-	(1,781,284)	(1,781,284)	-
Net transfers in (out)	-	-	-	-	46,135	46,135	-
Change in net assets	(440,769)	148,227	(427,122)	(482,446)	782,525	(419,585)	(129,267)
Net assets-beginning of year as restated	2,436,451	297,456	3,496,891	(256,176)	5,570,552		(985,156)
Net assets - end of year	$ 1,995,682	$ 445,683	$ 3,069,769	$ (738,622)	$ 6,353,077		$ (1,114,423)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(14,270)	
Change in net assets - business-type activities						$ (433,855)	

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, 2012

	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	$ 268,101	$ 457,787	$ 699,252	$ 867,127	$ 2,630,011	$ 4,922,278	$ 4,084,755
Cash payments to suppliers for goods & services	221,723	(423,008)	(850,659)	272,461	(424,200)	(1,203,683)	(3,594,512)
Cash payments to employees for services	(221,153)	(16,891)	(118,305)	(1,047,725)	(217,672)	(1,621,746)	(476,422)
Net cash provided (used) by operating activities	268,671	17,888	(269,712)	91,863	1,988,139	2,096,849	13,821
Cash flows from Noncapital Financing Activities							
Transfers in (out)	-	-	-	-	(1,781,284)	(1,781,284)	-
Net cash provided (used) by noncapital financing activities		-	-	-	(1,781,284)	(1,781,284)	-
Cash Flows from Capital & Related Financing Activities							
Acquisition & construction of capital assets	(238,671)	(17,888)	-	(75,218)	(1,890,365)	(2,222,142)	-
Principal paid on revenue bonds & loans	(20,000)	-	-	-	-	(20,000)	-
Interest paid on revenue bonds & loans	(9,750)	-	-	-	-	(9,750)	-
Contributed capital	-	-	258,838	1,770	-	260,608	-
Transfers in from SPLOST fund	-	-	-	-	1,827,419	1,827,419	-
Principal payments - capital leases	-	-	-	(18,052)	(128,866)	(146,918)	-
Proceeds from sales of capital assets	-	-	-	-	1,369	1,369	-
Interest paid on capital leases	-	-	-	(363)	(16,412)	(16,775)	-
Net cash provided (used) from Capital and related financing activities	(268,421)	(17,888)	258,838	(91,863)	(206,855)	(326,189)	-
Cash flows from Investing Activities							
Interest income	359	-	-	-	-	359	28
Net cash provided (Used) from investing activities	359	-	-	-	-	359	28
Net increase (decrease) in cash & cash equivalents	609	-	(10,874)	-	-	(10,265)	13,849
Cash & cash equivalents - beginning of year	90,729	-	41,731	200	-	132,660	2,704
Cash & cash equivalents - end of year	$ 91,338	$ -	$ 30,857	$ 200	$ -	$ 122,395	$ 16,553
Displayed as:							
Cash on hand and in banks	$ -	$ -	$ 30,857	$ 200	$ -	$ 31,057	$ 16,553
Restricted assets: Cash and investments, at cost	91,338	-	-	-	-	91,338	-
Totals	$ 91,338	$ -	$ 30,857	$ 200	$ -	$ 122,395	$ 16,553

DECATUR COUNTY, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds						
	Water and Sewer	Natural Gas	Airport	Ambulance Service	Landfill	Totals	Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities							
Operating income (loss)	$ (431,378)	$ 148,227	$ (685,960)	$ (483,853)	$ 751,433	$ (701,531)	$ (129,295)
Adjustments to reconcile operating income to net cash provided by operating activities							
Depreciation	80,813	4,266	202,832	96,141	624,842	1,008,894	4,813
Change in Assets & Liabilities:							
(Increase) decrease in accounts receivable	2,987	(45,620)	(37,498)	(84,913)	(357,211)	(522,255)	-
(Increase) decrease in prepaid insurance	-	-	-	-	-	-	(6,111)
Increase (decrease) in accounts payable	79,082	24,796	(1,937)	8,433	673	111,047	(60,770)
Increase (decrease) in accrued expenses	1,053	(225)	678	3,632	714,523	719,661	(3,594)
(Increase) decrease in due from other funds	536,114	(113,556)	252,173	552,423	253,879	1,481,033	208,778
Net cash provided (used) by operating activities	$ 268,671	$ 17,888	$ (269,712)	$ 91,863	$ 1,988,139	$ 2,096,849	$ 13,821

DECATUR COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2012

ASSETS

Cash	$	477,023
Receivables		555,349
Total Assets	$	1,032,372

LIABILITIES

Due to other agencies	$	363,328
Due to others		669,044
Total Liabilities	$	1,032,372

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Net Assets
Component Units
June 30, 2012

	Hospital Authority of Bainbridge, Decatur County, GA March 31, 2012	Decatur County Health Department June 30, 2012	Totals
Assets			
Cash	$ 233,742	$ 847,474	$ 1,081,216
Accounts receivable - less allowance for uncollectible	8,458,929	-	8,458,929
Other receivables	392,090	-	392,090
Due from DPH	-	19,121	19,121
Due from DCH	-	119,814	119,814
Estimated third party payer settlements	144,002	-	144,002
Inventories	515,249	-	515,249
Prepaid expenses	301,920	-	301,920
Total current assets	10,045,932	986,409	11,032,341
Assets limited as to use:			
Internally designated for capital improvements	2,390,296	-	2,390,296
Internally designated for self-insurance	768,070	-	768,070
Restricted by donor for nursing home	25,000	-	25,000
Total assets limited as to use	3,183,366	-	3,183,366
Property, plant and equipment, net	13,102,793	21,036	13,123,829
Notes receivable	155,818	-	155,818
Total assets	$ 26,487,909	$ 1,007,445	$ 27,495,354
Current liabilities:			
Current installments of long-term debt	$ 83,936	$ -	$ 83,936
Accounts payable, trade	4,016,155	24,919	4,041,074
Accrued liabilities	2,806,186	-	2,806,186
Estimated third party payer settlement	285,658	-	285,658
Total current liabilities	7,191,935	24,919	7,216,854
Compensated absences	-	74,203	74,203
Long-term debt, excluding current installments	2,724,104	-	2,724,104
	2,724,104	74,203	2,798,307
Total liabilities	9,916,039	99,122	10,015,161
Net assets:			
Invested in capital assets, net of related debt	10,294,753	21,036	10,315,789
Restricted	44,333	408,361	452,694
Unrestricted	6,232,784	478,926	6,711,710
Total net assets	16,571,870	908,323	17,480,193
Total liabilities and net assets	$ 26,487,909	$ 1,007,445	$ 27,495,354

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, 2012

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	$ 38,936,162	$ 38,950,616	$ -	$ 14,454	$ -	$ 14,454
Decatur County Health Department	1,563,322	463,371	1,061,016	-	(38,935)	(38,935)
Total component units	$ 40,499,484	$ 39,413,987	$ 1,061,016	14,454	(38,935)	(24,481)
General Revenues:						
Sales taxes				582,984	-	582,984
Other				53,857	-	53,857
Total General Revenues				636,841	-	636,841
Change in Net Assets				651,295	(38,935)	612,360
Net assets - beginning				15,920,575	890,239	16,810,814
Prior Period Adjustment				-	57,019	57,019
Net assets - ending				$ 16,571,870	$ 908,323	$ 17,480,193

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 and reports all financial resources not accounted for and reported 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, 2012: 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 uncollectable.

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, 2012.

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 June 16, 2011. 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 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, 2012 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 $170 invested in the State of Georgia Local Government Investment Pool (Georgia Fund 1) as of June 30, 2012. 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, 2012, property taxes were levied on September 14, 2011, and were due and payable at that time. All unpaid taxes levied on September 14, 2011, became delinquent on December 20, 2011, 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.

This space intentionally left blank.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 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	1,543,705	2,588,169	41,415	4,090,459
Total capital assets not being depreciated	7,640,385	2,588,169	41,415	10,187,139
Capital assets being depreciated:				
Automobiles	2,183,879	33,047	52,528	2,164,398
Buildings	20,324,334	270,538	-	20,594,872
Infrastructure	20,677,064	-	-	20,677,064
Camera/security equipment	107,324	-	-	107,324
Computers	173,952	-	-	173,952
Capital asset software	52,341	-	-	52,341
Cooler	8,820	-	-	8,820
Fire equipment	2,724,802	111,763	51,200	2,785,365
Food service equipment	195,803	13,679	-	209,482
Fixtures	213,145	-	-	213,145
Heavy equipment	4,038,485	6,000	22,000	4,022,485
Laundry equipment	72,259	-	-	72,259
Machinery	313,864	-	-	313,864
Radios	6,255	-	-	6,255
Miscellaneous equipment	28,648	-	-	28,648
Office equipment	590,148	-	-	590,148
Total capital assets being depreciated	51,711,123	435,027	125,728	52,020,422
Less accumulated depreciation for:				
Automobiles	1,377,080	191,051	47,136	1,520,995
Buildings	6,891,305	458,984	-	7,350,289
Infrastructure	10,208,422	774,688	-	10,983,110
Camera/security equipment	36,481	10,892	-	47,373
Computers	86,662	1,096	-	87,758
Capital asset software	52,341	14,800	-	67,141
Cooler	6,836	882	-	7,718
Fire equipment	2,386,125	112,440	45,644	2,452,921
Food service equipment	101,602	15,292	-	116,894
Fixtures	161,385	9,910	-	171,295
Heavy equipment	2,220,729	235,520	22,000	2,434,249
Laundry equipment	50,431	6,994	-	57,425
Machinery	241,198	19,462	-	260,660
Radios	4,956	626	-	5,582
Miscellaneous equipment	9,849	2,938	-	12,787
Office equipment	449,484	51,379	-	500,863
Total Accumulated Depreciation	24,284,886	1,906,954	114,780	26,077,060
Governmental activities capital assets, net	$ 35,066,622	$ 1,116,242	$ 52,363	$ 36,130,501

This space intentionally left blank.

Business-type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 107,128	$ 1,649,401	$ -	$ 1,756,529
Construction in Progress	1,545,357	390,768	-	1,936,125
Total capital assets not being depreciated	1,652,485	2,040,169	-	3,692,654
Capital Assets being depreciated:				
Buildings	2,437,198	17,887	-	2,455,085
Structures & Improvements	16,114,472	-	-	16,114,472
Machinery & Equipment	4,057,720	65,534	-	4,123,254
Automobile Equipment	1,151,688	98,488	-	1,250,176
Office Furniture & Fixtures	24,298	-	-	24,298
Total capital assets being depreciated:	23,785,376	181,909	-	23,967,285
Less accumulated depreciation for:				
Buildings	1,425,464	26,241	-	1,451,705
Structures & Improvements	3,920,628	625,698	-	4,546,326
Machinery & Equipment	2,368,933	281,720	-	2,650,653
Automobile Equipment	949,049	75,239	-	1,024,288
Office Furniture & Fixtures	24,300	-	-	24,300
Total accumulated depreciation	8,688,374	1,008,898	-	9,697,272
Business-type activities capital assets being depreciated, net	15,097,002	(826,989)	-	14,270,013
Business-type activities capital assets, net	$ 16,749,487	$ 1,213,180	$ -	$ 17,962,667

This space intentionally left blank.

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, 2012 is as follows:

Invested in capital assets, net of related debt:	Governmental Activities	Business Type Activities
Cost of capital assets	$ 62,207,557	$ 27,659,940
Less accumulated depreciation	(26,077,056)	(9,697,273)
Book value	36,130,501	17,962,667
Less capital related debt	(7,647,296)	(818,980)
Less deffered refunding amounts and bond premiums and discounts	(23,813)	-
Invested in capital assets, net of related debt	$ 28,459,392	$ 17,143,687

Depreciation expense was charged to the governmental functions as follows:

General government	$ 188,950
Public Safety	557,894
Public Works	907,428
Health & Welfare	21,598
Housing & Development	127,979
Recreation	98,293
Internal Service Funds	4,812
Total governmental depreciation expense:	$ 1,906,954

NOTE 5 – SHORT-TERM DEBT

Decatur County, Georgia entered into a tax anticipation line of credit note with First Port City Bank on June 21, 2012 in the original amount of $3,000,000 with an interest rate of 2.69% to be due on December 31, 2012. The balance of the note as of June 30, 2012 was $1,219,000.

	Payable at 7/1/2011	Additions	Reductions	Payable at 6/30/2012
Governmental Activities:				
Notes Payable:				
First Port City Bank Tax Anticipation Note	$ -	$ 1,219,000	$ -	$ 1,219,000
Total	$ -	$ 1,219,000	$ -	$ 1,219,000

NOTE 6 – 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 $127,878.

This space intentionally left blank.

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	

This space intentionally left blank.

NOTE 6 - LONG-TERM OBLIGATIONS - Continued

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2012 are as follows:

	Beginning of Year	Increases	Decreases	End of Year	Due within One Year
Governmental activities:					
Revenue Bonds Payable	$ 5,805,000	$ -	$ 1,385,000	$ 4,420,000	$ 1,425,000
Add deferred amounts					
Unamortized premium	170,503	-	42,625	127,878	-
Total bonds payable	5,975,503	-	1,427,625	4,547,878	1,425,000
Capital Lease Obligations	712,862	-	259,338	453,524	244,503
GEFA Note Payable	2,666,192	-	121,199	2,544,993	125,133
USDA Note Payable	131,831	-	30,930	100,901	32,245
Sub-total-Governmental activities	9,486,388	-	1,839,092	7,647,296	1,826,881
Business-type activities:					
Water and Sewer Fund					
Revenue Bonds Payable	195,000	-	20,000	175,000	20,000
Sub-totals-Water & Sewer Fund	195,000	-	20,000	175,000	20,000
Landfill Fund					
Accrued closure/postclosure cost-Old Landfill	853,675	-	11,125	842,550	-
Accrued closure/postclosure cost-New Landfill	2,316,619	726,444	-	3,043,063	-
Capital Leases	772,846	65,533	194,399	643,980	194,912
Sub-total-Landfill Fund	3,943,140	791,977	205,524	4,529,593	194,912
EMS Fund					
Capital Leases	18,052	-	18,052	-	-
Sub-total-EMS Fund	18,052	-	18,052	-	-
Sub-total-Business-type activities	4,156,192	791,977	243,576	4,704,593	214,912
Total all long-term debt	$ 13,642,580	$ 791,977	$ 2,082,668	$ 12,351,889	$ 2,041,793

NOTE 6 - 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	$ 2,688,291	$ 94,995
Less: Accumulated depreciation	(1,286,604)	(1,473,301)	(77,579)
Total	$ 1,083,851	$ 1,214,990	$ 17,416

Debt service requirements on long-term debt at June 30, 2012 are as follows:

	Governmental Activities Capital Leases		
Year Ending June 30	Principal	Interest	Totals
2013	$ 244,503	$ 15,838	$ 260,341
2014	139,917	5,967	145,884
2015	59,059	1,177	60,236
2016	10,045	104	10,149
Totals	$ 453,524	$ 23,086	$ 476,610

	Business-Type Activities Captial Leases		
Year Ending June 30	Principal	Interest	Totals
2013	$ 194,912	$ 15,090	$ 210,002
2014	200,343	9,659	210,002
2015	171,465	4,360	175,825
2016	77,260	812	78,072
Totals	$ 643,980	$ 29,921	$ 673,901

	Governmental Activities - USDA Note Payable		
Year Ending June 30	Principal	Interest	Totals
2013	$ 32,245	$ 4,288	$ 36,533
2014	33,615	2,918	36,533
2015	35,041	1,492	36,533
Totals	$ 100,901	$ 8,698	$ 109,599

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

Year Ending June 30	Water and Sewer - Revenue Bonds		
	Principal	Interest	Totals
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	$ 175,000	$ 37,500	$ 212,500

Year Ending June 30	General Obligation SPLOST Bonds		
	Principal	Interest	Totals
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
	4,420,000	$ 343,350	$ 4,763,350
Add: Unamortized Premium	127,878		
	$ 4,547,878		

This space intentionally left blank.

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

Ending June 30	Governmental Funds - GEFA Note - Silver Lake Project		
	Principal	Interest	Totals
2013	$ 125,133	$ 74,522	$ 199,655
2014	128,815	70,838	199,653
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	766,164	49,233	815,397
Totals	$ 2,544,993	$ 666,255	$ 3,211,248

This space intentionally left blank.

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
Caterpillar Financial Services Corporation Lease-Purchase Contract on Medel 12H Motor Grader SN: AMZ01331	$ 43,000	$ 801	4.45%	60	$ 801	$ 798
BancorpSouth Equipment Finance. Lease-Purchase Contract on CAT 140 M Motor Grader SN: B9D01811	135,000	2,453	3.45%	60	56,414	54,515
Deere Credit, Inc. Lease-Purchase Contract on Crawler Dozier SN: LU950JX009566	275,000	4,881	2.50%	60	58,567	57,782
Regions Equipment Finance Corp. Lease-Purchase Contract on Fire Truck VIN # 1FVACXBS3BHZ44640	149,846	2,061	4.19%	84	61,840	58,615
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	61,700	59,855
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	32,584	26,698
Deere Credit, Inc. Lease-Purchase Contract on 670G Motor Grader SN: 1DW670GXEA0630094	71,000	1,274	2.95%	60	44,597	42,682
BancorpSouth Equipment Finance. Lease-Purchase Contract on JD 670 G Motor Grader SN: DW670GX626441	159,683	2,901	3.45%	60	78,336	75,269
BancorpSouth Equipment Finance. Lease-Purchase Contract on 2011 Caterpillar 140M Motor Grader SN: B9D02884	67,900	1,234	3.45%	60	53,049	49,834
Deere Credit, Inc. Lease-Purchase Contract on JD 670 G Motor Grader SN: 1DW670GXKA0631798	42,420	756	2.75%	60	28,722	27,476
Total Governmental Activities	$ 1,240,376				$ 476,610	$ 453,524

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

Business-type activities:

Purpose	Original Amount	Payment Amounts	Interest Rate	Payments	Minimum Lease Payments	Net Present Value
Landfill:						
BancorpSouth Equipment Finance. Lease-Purchase Contract on Caterpillar 938H Wheel Loader SN: MJC00461	$ 74,465	$ 1,374	3.45%	59	$ 41,220	$ 39,438
BancorpSouth Equipment Finance. Lease-Purchase Contract on Caterpillar 336DL SN: W3K00695	45,989	849	3.45%	59	25,457	24,357
BancorpSouth Equipment Finance. Lease-Purchase Contract on Komatsu D65EX-15 Dozier SN: 69535	130,350	2,368	3.45%	60	66,315	63,628
Suntrust Equipment Finance. Lease-Purchase Contract on BOMAG BC 1172RB-2 Landfill Compactor	620,975	11,014	2.47%	60	474,570	452,775
Caterpillar Financial Service Corp. Lease-Purchase Contract on Used D6NLGP Track Type Tractor SN: DJY01321	65,533	1,895	2.64%	36	66,339	63,782
Sub-Total Landfill	$ 937,312				$ 673,901	$ 643,980
Totals Business-Type Activities	$ 937,312				$ 673,901	$ 643,980
Total All Activities	$ 2,177,688				$ 1,150,511	$ 1,097,504

NOTE 7 - 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)	$ 2,613,460	$ -
General Fund (from SPLOST # 5)	1,106,174	-
General Fund (from Insurance ISF)	203,366	-
General Fund (due to ISF)	-	3,775,984
General Fund (from Mandatory Drug Fund)	11,875	
General Fund Operating Activities	8,008,569	-
SPLOST Capital Projects Fund # 5 (due to General Fund)	-	1,106,174
SPLOST Capital Projects Fund # 4 (due to General Fund)	-	2,613,460
	11,943,444	7,495,618
Proprietary Funds		
Natural Gas Fund (due to ISF)	-	102,410
Natural Gas Fund Operating Activities	439,460	-
Airport Fund (due to ISF)	-	170,864
Airport Fund Operating Activities	-	482,506
Ambulance Service Fund (due to ISF)	-	257,218
Ambulance Service Fund Operating Activities	-	956,012
Landfill Fund (due to ISF)	-	282,087
Landfill Fund Operating Activities	-	237,412
Water & Sewer Fund (due to ISF)	-	114,190
Water & Sewer Fund Operating Activities	-	1,042,100
	439,460	3,644,799
Non-Major Funds		
E-911 SRF (due to ISF)	-	51,792
E-911 SRF Operating Activities	-	56,126
Confiscated Assets SRF Operating Activities	4,999	-
Decatur County Prison SRF Operating Activities	24,561	-
Victim's Assistance SRF Operating Activities	4,895	-
Mandatory Drug Fund (due to General Fund)	-	11,875
Mandatory Drug Fund SRF Operating Activities	9,574	-
FEMA - HMGP SRF Operating Activities	-	34,126
Recovery Act SRF Operating Activities	-	5,581
Telecommunications Reserve SRF Operating Activities	-	5
Internal Service Fund (Governmental Funds)	3,827,776	-
Internal Service Fund (Proprietary Funds)	926,769	-
Internal Service Fund Operating Activities	-	5,188,334
Insurance Internal Service Fund (due to General Fund)		203,366
Insurance Internal Service Fund Operating Activities	-	489,856
	4,798,574	6,041,061
Totals	$ 17,181,478	$ 17,181,478

Entity-wide Inter-fund Balance Reconciliation

Governmental Funds	
Receivables	$ 11,987,473
Payables	(7,655,123)
Netting of Internal Service Fund	(1,137,276)
Internal Balances - Governmental Activities	$ 3,195,074
Business-Type Funds	
Business-Type Funds Receivables	$ 439,460
Business-Type Funds Payables	(3,644,799)
Netting of Internal Service Fund	10,265
Internal Balances - Business-Type Activites	$ (3,195,074)

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, 2012 consisted of the following:

	Transfer In			
Transfer Out	**General Fund**	**Non-major**	**Landfill**	**Total**
General Fund	$ -	$ 82,112	$ -	$ 82,112
SPLOST CPF Ref, # 5	-	-	1,827,419	1,827,419
Landfill Fund	1,781,284	-	-	1,781,284
Non-major Governmental	5,880	-	-	5,880
Totals	$ 1,787,164	$ 82,112	$ 1,827,419	$ 3,696,695

Governmental Activities:	
Total Transfer Out	$ (1,915,411)
Less: Transfer to	
Major Governmental	1,787,164
Non-major Governmental	82,112
Net Transfers Out	$ (46,135)

Business-Type Activities:		
Total Transfers In	$	1,827,419
Less: Transfer to Governmental-Type Activities		(1,781,284)
Net Transfers In	$	46,135

Transfers from the SPLOST 5 Capital Projects Fund in the amount of $1,827,419 represent capital expenditures moved to the Landfill fund.

All other transfers were for normal general operating purposes.

NOTE 8 - 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:	2012	2011
Net Pension Cost as of Beginning of Prior Year	$ (306,728)	$ (288,088)
Annual Pension Cost for Prior Year	690,498	674,322
Actual Contributions to Plan for Prior Year	699,529	692,962
Increase in Net Pension Obligation	(9,031)	(18,640)
Net Pension Obligation as of Beginning of the Year	$ (315,759)	$ (306,728)
Derivation of Annual Pension Cost:		
Annual Required Contribution	$ 674,672	$ 688,834
Interest on Net Pension Obligation	(24,471)	(23,771)
Amortization of Net Pension Obligation	26,184	25,435
Annual Pension Cost	$ 676,385	$ 690,498

Summary of Valuation Results and Basis of Valuation:

(A) Actuarial Valuation Date: January 1, 2012
(B) Expected Employee Contributions: $ 0
(C) Required County Contribution: $ 674,672
(D) County's Annual Pension Cost: $ 676,385
(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, 2012	$ 676,385	N/A	N/A	$ (315,759)
January 1, 2011	690,498	699,529	101%	(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)
12/31/11	$ 5,779,544	*	$ 7,771,341	74.4%	$ 1,991,797	$ 7,979,630	25.0%
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 9 - 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, 2012. No provisions have been made in the financial statements for the year ended June 30, 2012 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 10 - 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, 2012, the revenue fund had a balance of $34,253.

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 11 - 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	$ 27,480	$ 517,656	$ 68,355	$ 279,921	$ 776,521	$ 1,669,933
Capital	3,418,710	74,722	3,661,919	248,418	10,650,236	18,054,005
Total Assets	$ 3,446,190	$ 592,378	$ 3,730,274	$ 528,339	$ 11,426,757	$ 19,723,938
Liabilities						
Current	$ 1,275,508	$ 146,695	$ 660,505	$ 1,266,961	$ 738,999	$ 4,088,668
Long-term	175,000	-	-	-	4,334,681	4,509,681
Total Liabilities	$ 1,450,508	$ 146,695	$ 660,505	$ 1,266,961	$ 5,073,680	$ 8,598,349
Net Assets						
Investments in Capital Assets Net of Related Debt	$ 3,152,372	$ 74,722	$ 3,661,919	$ 248,418	$ 10,006,256	$ 17,143,687
Restricted for Debt Service	91,338	-	-	-	-	91,338
Unrestricted	(1,248,028)	370,961	(592,150)	(987,040)	(3,653,179)	(6,109,436)
Total Net Assets	$ 1,995,682	$ 445,683	$ 3,069,769	$ (738,622)	$ 6,353,077	$ 11,125,589

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	$ 265,114	$ 503,632	$ 727,397	$ 952,040	$ 2,987,222	$ 5,435,405
Rental Income	-	-	8,675	-	-	8,675
Total operating revenues	265,114	503,632	736,072	952,040	2,987,222	5,444,080
Operating expenses (Excluding Depreciation)	615,679	351,139	1,219,200	1,339,752	1,610,947	5,136,717
Depreciation	80,813	4,266	202,832	96,141	624,842	1,008,894
Total operating expenses	696,492	355,405	1,422,032	1,435,893	2,235,789	6,145,611
Operating income (loss)	(431,378)	148,227	(685,960)	(483,853)	751,433	(701,531)
Nonoperating revenues (expenses)						
Intergovernmental	-	-	258,838	1,770	-	260,608
Interest income	359	-	-	-	-	359
Gain (Loss) on disposal of assets	-	-	-	-	1,369	1,369
Other miscelaneous revenue	-	-	-	-	-	-
Interest expense	(9,750)	-	-	(363)	(16,412)	(26,525)
Total Nonoperating income (expenses)	(9,391)	-	258,838	1,407	(15,043)	235,811
Transfers in (out)	-	-	-	-	46,135	46,135
Changes in net assets	(440,769)	148,227	(427,122)	(482,446)	782,525	(419,585)
Beginning net assets	2,436,451	297,456	3,496,891	(256,176)	5,570,552	11,545,174
Ending net assets	$ 1,995,682	$ 445,683	$ 3,069,769	$ (738,622)	$ 6,353,077	$ 11,125,589

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	$ 268,671	$ 17,888	$ (269,712)	$ 91,863	$ 1,988,139	$ 2,096,849
Net cash provided (used) by noncapital financing activities	-	-	-	-	(1,781,284)	(1,781,284)
Net cash provided (used) by capital and related financing activities	(268,421)	(17,888)	258,838	(91,863)	(206,855)	(326,189)
Net cash provided (used) by investing activities	359	-	-	-	-	359
Net increase (decrease) in cash & cash equivalents	609	-	(10,874)	-	-	(10,265)
Beginning cash & cash equivalents	90,729	-	41,731	200	-	132,660
Ending cash & cash equivalents	$ 91,338	$ -	$ 30,857	$ 200	$ -	$ 122,395

NOTE 12 - 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 post closure 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. The estimated liability for post closure care costs of the landfill was $842,548 as of June 30, 2012. Actual costs 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, 2012 was $726,445, which increases the liability to $3,043,064. The County will recognize the remaining estimated cost of closure and post-closure care of $3,057,144 as the remaining estimated capacity is filled. The total landfill capacity used as of June 30, 2012 is 49.88%. The County estimates the remaining useful life of the landfill as 3.77 years. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 13 - 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 14 – RESTRICTED NET ASSETS

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

	Other Projects	Other Purposes	Total
CDBG EIP	$ 44,966	$ -	$ 44,966
Recovery Act - JAG	(5,581)	-	(5,581)
Crime Victims Assistance	4,901	-	4,901
Law Library	49,710	-	49,710
Confiscated Assets	27,085	-	27,085
E-911	(57,236)	-	(57,236)
Mandatory Drug Fund	47,488	-	47,488
Telecommunications Reserve Fund	30,368	-	30,368
FEMA - HMGP	(34,146)	-	(34,146)
Decatur County Prison Account	14,296	-	14,296
Retirement	-	1,101,659	1,101,659
Water & Sewer Debt	-	88,363	88,363
	$ 121,851	$ 1,190,022	$ 1,311,873

NOTE 15 - SPECIAL ITEM – SALES OF CAPITAL ASSETS

During the fiscal year ended June 30, 2012 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 a 1976 Fire Truck, a 1980 Fire Truck, a 1999 Tractor, a 2002 Crown Victoria, a 2007 Crown Victoria and several other fully depreciated piece of equipment for governmental activities with business activities reporting the disposition a fully depreciated piece of equipment.

NOTE 16 - DEFICIT FUND BALANCE

For the fiscal year ended June 30, 2012 there were numerous funds that had a deficit fund balance. The SPLOST 4 Capital Projects Fund had a deficit fund balance of $2,613,445. 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 $738,622. 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 $57,236. 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 $34,146. 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 $676,668. It is the County's intent to alleviate these deficits with future revenues and/or transfers from other funds.

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

A. Bank Deposits

At March 31, 2011 and 2012, the Authority had bank balances as follows:

	2012	2011
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.	2,750,694	2,740,936
Total (bank balance)	$ 3,532,194	$ 3,522,436
Carrying value (book value)	$ 3,417,108	$ 3,352,736

B. Capital Assets

A summary of property and equipment at March 31, 2012 follows:

	2011 Balance	Increase	Decrease	2012 Balance
Land	$ 658,662	$ 76,705	$ -	$ 735,367
Buildings & Improvements	21,013,522	377,253	-	21,390,775
Equipment	18,627,899	1,420,857	163,639	19,885,117
Construction in progress	241,376	192,442	-	433,818
Total property and equipment	40,541,459	2,067,257	163,639	42,445,077
Less accumulated depreciation:				
Buildings and improvements	12,137,613	698,753	-	12,836,366
Equipment	15,950,726	716,358	161,166	16,505,918
Total accumulated depreciation	28,088,339	1,415,111	161,166	29,342,284
Net property and equipment	$ 12,453,120	$ 652,146	$ 2,473	$ 13,102,793

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

	2011 Balance	Additions	Deletions	2012 Balance	Amount Due in One Year
Notes payable	$ 2,280,183	$ 2,781,631	$ 2,304,433	$ 2,757,381	$ 33,277
Capital leases	159,933	-	109,274	50,659	50,659
Total long term debt	$ 2,440,116	$ 2,781,631	$ 2,413,707	$ 2,808,040	$ 83,936

A summary of long-term debt, including capital lease obligations, at March 31, 2012 and 2011, follows:

	2012	2011
2.85% note payable to First Port City Bank in interest only monthly installments with the balance due April 15, 2013. Collateralized by land, buildings, and equipment.	$ 2,401,631	$ -
3.412% note payable to Annette D. Harrell in monthly installments of $3,742 until June 2021, unsecured.	355,750	-
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
Capital lease obligation at an imputed interest rate of 4.8%. Collateralized by leased equipment	50,659	159,933
Total long-term debt	2,808,040	2,440,116
Less current installments of long-term debt	83,936	312,849
Long-term debt, excluding current installments	$ 2,724,104	$ 2,127,267

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
2013	$ 33,277	$ 11,615	$ 50,659	$ 835
2014	2,436,071	10,462	-	-
2015	35,633	9,269	-	-
2016	36,868	8,034	-	-
2017	38,145	6,757	-	-
2018-Thereafter	177,387	13,414	-	-
Totals	$ 2,757,381	$ 59,551	$ 50,659	$ 835

D. Pension

The Authority provides a tax deferred compensation retirement plan for the employees. Employees contribute a portion of their pre-tax wages and the Authority will funds a matching contribution of one-half an employee's contribution. The Authority's maximum contribution is three percent of an employee's wages. The Authority also contributes an additional $5 per employee per pay period. For the years ended March 31, 2012 and 2011, the Authority contributed $320,000 and $340,000 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, 2012 and 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 $3,100,000, including administrative fees, during the years ended March 31, 2012 and 2011, 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 above $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.

This space intentionally left blank.

A summary of the Foundation's assets and net assets, results of operations, and changes in net assets (not included in the Authority statements) follows:

	2012	2011
Assets	$ 1,031,380	$ 954,505
Liabilities	-	-
Net Assets	1,031,380	954,505
Liabilities and net assets	$ 1,031,380	$ 954,505
Revenues	$ 58,347	$ 18,190
Investing gains (losses)	46,253	71,522
Expenses	(15,258)	(10,236)
Contributions to Memorial Hospital and	(10,500)	-
Excess of revenues over expenses	78,842	79,476
Changes in net unrealized gains and losses on marketable securities	(1,967)	17,879
Net assets, beginning of year	954,505	857,150
Net assets, end of year	$ 1,031,380	$ 954,505

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

A. Bank Deposits

Total deposits and investments as of June 30, 2012, are summarized as follows:

As reported in the Statement of Net Assets:	
Cash and cash equivalents	$ 847,474
Cash deposited with financial institutions	$ 847,474

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, 2012, the Health Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

This space intentionally left blank.

B. Capital Assets

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

	Balance June 30, 2011	Increase	Decrease	Balance June 30, 2012
Vehicles	$ 95,624	$ -	$ -	$ 95,624
Building	19,492	-	-	19,492
Equipment	72,017	5,750	-	77,767
Accumulated Depreciation	(163,348)	(8,499)	-	(171,847)
Governmental Activities Capital Assets, Net	$ 23,785	$ (2,749)	$ -	$ 21,036

C. Compensated Absences

Non-current liabilities on the Statement of Net Assets are made up of compensated absences payable at June 30, 2012. All of the compensated absences are related to governmental activities. Changes in compensated absences for FY2012 are as follows:

Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
$ 69,199	$ 5,004	$ -	$ 74,203

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, 2012 were $24,984 based on qualifying salaries of $528,824. Ten year historical information may be obtained from the Employee's Retirement System of Georgia.

This space intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

Decatur County, Georgia
Budgetary Comparison Schedule - General Fund (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts (GAAP Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
REVENUES				
Property taxes	$ 8,104,699	$ 7,904,699	$ 7,908,468	$ 3,769
Sales and miscellaneous taxes	3,492,400	3,477,400	3,477,847	447
Fees and fines	1,289,200	1,119,200	1,123,531	4,331
Licenses and permits	119,660	106,660	107,231	571
Intergovernmental	819,300	299,300	301,676	2,376
Charges for services	2,059,350	1,999,350	1,999,927	577
Investment earnings	75,000	51,000	51,194	194
Miscellaneous	350,000	190,000	192,956	2,956
Contributions and donations	-	-	300	300
TOTAL REVENUES	16,309,609	15,147,609	15,163,130	15,521
EXPENDITURES				
General Government				
Legislative	203,029	203,029	164,859	38,170
Elections	241,179	241,179	196,588	44,591
Tax Commissioner	462,044	477,115	477,115	-
Tax Assessor	482,056	488,044	488,044	-
General Govt. Buildings and Grounds	169,287	169,287	154,057	15,230
General Government	1,557,595	1,578,654	1,480,663	97,991
Judicial				
Superior Court	74,143	81,107	81,107	-
Clerk of Courts	589,601	589,601	573,552	16,049
District Attorney	44,750	44,750	44,750	-
State Court	167,670	167,670	161,868	5,802
Magistrate Court	250,589	253,411	253,411	-
Probate Court	170,635	174,861	174,861	-
Juvenile Court	159,286	159,286	158,379	907
Public Defender	199,300	199,300	175,564	23,736
Judicial	1,655,974	1,669,986	1,623,492	46,494
Public Safety				
Sheriff	3,068,637	3,068,637	2,808,403	260,234
Jail	2,266,106	2,405,992	2,405,992	-
Corrections	3,803,729	3,830,953	3,830,953	-
Fire	1,115,458	1,115,771	1,115,771	-
Coroner/Medical Examiner	39,995	39,995	37,833	2,162
Emergency Management	17,035	19,126	19,126	-
Public Safety	10,310,960	10,480,474	10,218,078	262,396
Public Works				
Highways and Streets	2,488,990	2,488,990	2,264,164	224,826
Maintenance & Shop	128,797	130,295	130,295	-
Public Works	2,617,787	2,619,285	2,394,459	224,826

Decatur County, Georgia
Budgetary Comparison Schedule - General Fund (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts (GAAP Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
Health and Welfare				
Health	223,809	234,184	234,184	-
Welfare	51,000	51,000	46,288	4,712
Health and Welfare	274,809	285,184	280,472	4,712
Parks and Recreation				
Recreation	80,000	80,000	80,000	-
Parks	112,269	116,114	116,114	-
Parks and Recreation	192,269	196,114	196,114	-
Housing and Development				
Conservation	144,314	144,314	133,657	10,657
Planning and Zoning	240,368	240,368	229,542	10,826
Industrial Park	77,870	77,870	61,668	16,202
Housing and Development	462,552	462,552	424,867	37,685
Total Expenditures - All Departments	17,071,946	17,292,249	16,618,145	674,104
Net Excess before Operating Transfers	(762,337)	(2,144,640)	(1,455,015)	689,625
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases	269,000	-	-	-
Transfers In (Out)	-	1,705,051	1,705,051	-
Total Other Financing Sources (uses)	269,000	1,705,051	1,705,051	-
SPECIAL ITEMS				
Proceeds from sale of capital assets	70,000	45,000	45,236	236
Total Special Items	70,000	45,000	45,236	236
Net Excess (deficit)	$ (423,337)	$ (394,589)	$ 295,272	$ 689,861

DECATUR COUNTY, GEORGIA
Debt Service Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Taxes	$ 2,156,375	$ 2,156,375	$ 2,105,606	$ (50,769)
Total Revenues	2,156,375	2,156,375	2,105,606	(50,769)
Expenditures				
Debt Service				
Principal	1,841,418	1,841,418	1,796,478	44,940
Interest	314,957	314,957	309,128	5,829
Total Expenditures	2,156,375	2,156,375	2,105,606	50,769
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources				
Transfers In (General Fund)	-	-	-	-
Transfers In (SPLOST)	-	-	-	-
Total Other Financing Sources	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	-	-
Fund Balance Beginning of Year	-	-	-	-
Fund Balance End of Year	$ -	$ -	$ -	$ -

Decatur County, Georgia
Budgetary Comparison
For the Fiscal Year Ended June 30, 2012

Note A 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 June 16, 2011. 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 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, 2011	$ 5,779,544 *	$ 7,771,341	$ 1,991,797	74.4%	$ 7,979,630	25.0%
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, 2012

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, 2012
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, 2012

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.

DECATUR COUNTY, GEORGIA
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	Law Library	Confiscated Assets	E-911	CDBG EIP	Victim's Assistance	LAG - VFD	Recovery Act - JAG	Mandatory Drug Fund	Tower Escrow Fund	Telecommunications Reserve Fund	Decatur County Prison Account	FEMA - HMGP	Totals
Assets													
Cash in banks	$ 49,710	$ 22,086	$ -	$ 44,967	$ 6	$ -	$ -	$ 52,289	$ -	$ 30,373	$ -	$ -	$ 199,431
Due from other funds	-	4,999	-	-	4,895	-	-	9,574	-	-	24,561	-	44,029
Notes/capital leases receivable	-	-	-	485,623	-	-	-	-	-	-	-	-	485,623
Intergovernmental receivable	-	-	98,840	-	-	-	-	-	-	-	-	-	98,840
Total Assets	$ 49,710	$ 27,085	$ 98,840	$ 530,590	$ 4,901	$ -	$ -	$ 61,863	$ -	$ 30,373	$ 24,561	$ -	$ 827,923
Liabilities & Fund Balances													
Liabilities													
Accounts payable	$ -	$ -	$ 24,629	$ -	$ -	$ -	$ -	$ 2,500	$ -	$ -	$ 10,265	20	$ 37,414
Due to other funds	-	-	107,918	-	-	-	5,581	11,875	-	5	-	34,126	159,505
Deferred revenue	-	-	-	485,624	-	-	-	-	-	-	-	-	485,624
Accrued salaries	-	-	23,529	-	-	-	-	-	-	-	-	-	23,529
Total Liabilities	-	-	156,076	485,624	-	-	5,581	14,375	-	5	10,265	34,146	706,072
Fund Balances													
Restricted for:													
Legal Reference Materials	49,710	-	-	-	-	-	-	-	-	-	-	-	49,710
Public Safety	-	27,085	-	-	4,901	-	-	47,488	-	-	14,296	-	93,770
Economic Development	-	-	-	44,966	-	-	-	-	-	30,368	-	-	75,334
Unassigned	-	-	(57,236)	-	-	-	(5,581)	-	-	-	-	(34,146)	(96,963)
Total Fund Balances	49,710	27,085	(57,236)	44,966	4,901	-	(5,581)	47,488	-	30,368	14,296	(34,146)	121,851
Total Liabilities & Fund Balance	$ 49,710	$ 27,085	$ 98,840	$ 530,590	$ 4,901	$ -	$ -	$ 61,863	$ -	$ 30,373	$ 24,561	$ -	$ 827,923

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, 2012

	Law Library	Confiscated Assets	E-911	CDBG EIP	Victim's Assistance	LAG - VFD	Recovery Act - JAG	Mandatory Drug Fund	Tower Escrow Fund	Telecommunications Reserve Fund	Decatur County Prison Account	FEMA - HMGP	Totals
Revenues													
Charges for services	$ 5,180	$ -	$ 438,326	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 195,835	$ -	$ 639,341
Fines and forfeitures	-	29,376	-	-	-	-	-	49,476	-	-	-	-	78,852
Intergovernmental	-	-	431,296	50,165	53,324	-	-	-	-	-	-	179,716	714,501
Contributions and donations	-	-	-	-	-	-	-	-	-	25,013	-	-	25,013
Interest	-	265	-	5,604	-	-	-	323	-	247	-	-	6,439
Total Revenues	5,180	29,641	869,622	55,769	53,324	-	-	49,799	-	25,260	195,835	179,716	1,464,146
Expenditures													
General Government	10,936	-	-	-	-	-	-	-	-	-	-	-	10,936
Public Safety	-	48,069	940,032	-	53,326	-	-	33,450	-	-	207,856	-	1,282,733
Housing and Development	-	-	-	300,000	-	-	-	-	-	12,182	-	192,721	504,903
Public Safety-Capital Outlay	-	-	2,430	-	-	-	-	-	-	-	-	-	2,430
Total Expenditures	10,936	48,069	942,462	300,000	53,326	-	-	33,450	-	12,182	207,856	192,721	1,801,002
Excess (deficiency) of revenues over expenditures	(5,756)	(18,428)	(72,840)	(244,231)	(2)	-	-	16,349	-	13,078	(12,021)	(13,005)	(336,856)
Other Financing Sources													
Transfers in	-	-	82,112	-	-	-	-	-	-	-	-	-	82,112
Transfers (out)	-	-	-	-	-	(5,660)	-		(220)	-	-	-	(5,880)
Total Other Financing Sources	-	-	82,112	-	-	(5,660)	-	-	(220)	-	-	-	76,232
Net Change in Fund Balance	(5,756)	(18,428)	9,272	(244,231)	(2)	(5,660)	-	16,349	(220)	13,078	(12,021)	(13,005)	(260,624)
Fund Balance-beginning 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
Fund Balance-end of period	$ 49,710	$ 27,085	$ (57,236)	$ 44,966	$ 4,901	$ -	$ (5,581)	$ 47,488	$ -	$ 30,368	$ 14,296	$ (34,146)	$ 121,851

DECATUR COUNTY, GEORGIA
Law Library - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fees From Courts	$ 16,000	$ 16,000	$ 5,180	$ (10,820)
Total Revenues	16,000	16,000	5,180	(10,820)
Expenditures				
Books & Publications	16,000	16,000	10,936	5,064
Total Expenditures	16,000	16,000	10,936	5,064
Excess (Deficiency) of Revenues Over Expenditures	-	-	(5,756)	(5,756)
Fund Balance-beginning of period	55,466	55,466	55,466	-
Fund Balance-end of period	$ 55,466	$ 55,466	$ 49,710	$ (5,756)

DECATUR COUNTY, GEORGIA
Confiscated Assets - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Confiscated Assets	$ 31,000	$ 31,000	29,376	$ (1,624)
Interest	20	20	265	245
Total Revenues	31,020	31,020	29,641	(1,379)
Expenditures				
Public Safety	31,020	48,520	48,069	451
Total Public Safety Expenditures	31,020	48,520	48,069	451
Excess (Deficiency) of Revenues Over Expenditures	-	(17,500)	(18,428)	(928)
Fund Balance-beginning of period	45,513	45,513	45,513	-
Fund Balance-end of period	$ 45,513	$ 28,013	$ 27,085	$ (928)

DECATUR COUNTY, GEORGIA
E-911 - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Local Government Units (Grady County)	$ 447,311	$ 447,311	$ 431,296	$ (16,015)
E-911 Charges	472,000	472,000	438,326	(33,674)
Total Revenues	919,311	919,311	869,622	(49,689)
Expenditures				
Operating Expenditures	951,715	951,715	940,032	11,683
Capital Outlay	1,000	1,000	2,430	(1,430)
Principal	50,643	50,643	-	50,643
Interest	1,807	1,807	-	1,807
Total Expenditures	1,005,165	1,005,165	942,462	62,703
Excess (Deficiency) of Revenues Over Expenditures	(85,854)	(85,854)	(72,840)	13,014
Other Financing Sources				
Operating Transfers In	74,714	74,714	82,112	7,398
Total Other Financing Sources	74,714	74,714	82,112	7,398
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	(11,140)	(11,140)	9,272	20,412
Fund Balance - beginning of period	(66,508)	(66,508)	(66,508)	-
Fund Balance - end of period	$ (77,648)	$ (77,648)	$ (57,236)	$ 20,412

DECATUR COUNTY, GEORGIA
CDBG EIP - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
EIP Principal Payment	$ 48,500	$ 48,500	$ 50,165	$ 1,665
Interest income	3,500	3,500	5,604	2,104
Total Revenues	52,000	52,000	55,769	3,769
Expenditures				
Operating Expenditures	-	300,000	300,000	-
Total Expenditures	-	300,000	300,000	-
Excess (Deficiency) of Revenues Over Expenditures	52,000	(248,000)	(244,231)	3,769
Other Financing Sources				
Operating Transfers Out	(52,000)	-	-	-
Total Other Financing Sources	(52,000)	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	(248,000)	(244,231)	3,769
Fund Balance - beginning of period	289,197	289,197	289,197	-
Fund Balance - end of period	$ 289,197	$ 41,197	$ 44,966	$ 3,769

DECATUR COUNTY, GEORGIA
Victim's Assistance - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ 60,000	$ 60,000	$ 53,324	$ (6,676)
Total Revenues	60,000	60,000	53,324	(6,676)
Expenditures				
Victim services payments	60,000	60,000	53,326	6,674
Total Expenditures	60,000	60,000	53,326	6,674
Excess (Deficiency) of Revenues Over Expenditures	-	-	(2)	(2)
Fund Balance - beginning of period	4,903	4,903	4,903	-
Fund Balance - end of period	$ 4,903	$ 4,903	$ 4,901	$ (2)

DECATUR COUNTY, GEORGIA
Local Assistance Grant VFD - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	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	-	-	-	-
Other Financing Sources				
Operating Transfers Out	-	-	(5,660)	(5,660)
Total Other Financing Sources	-	-	(5,660)	(5,660)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	(5,660)	(5,660)
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
Recovery Act - JAG - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ 8,000	$ 8,000	$ -	$ (8,000)
Total Revenues	8,000	8,000	-	(8,000)
Expenditures				
Public Safety	8,000	8,000	-	8,000
Capital Outlay	-	-	-	-
Total Expenditures	8,000	8,000	-	8,000
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance - beginning of period	(5,581)	(5,581)	(5,581)	-
Fund Balance - end of period	$ (5,581)	$ (5,581)	$ (5,581)	$ -

DECATUR COUNTY, GEORGIA
Mandatory Drug Fund - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fines and forfeitures	$ 35,000	$ 35,000	$ 49,476	$ 14,476
Interest income	15	15	323	308
Total Revenues	35,015	35,015	49,799	14,784
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	1,565	1,565	16,349	14,784
Fund Balance - beginning of period	31,139	31,139	31,139	-
Fund Balance - end of period	$ 32,704	$ 32,704	$ 47,488	$ 14,784

DECATUR COUNTY, GEORGIA
Tower Escrow Fund - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Charges for services	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures				
Contracted Services	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures		-	-	-
Other Financing Sources				
Operating Transfers Out	-	-	(220)	(220)
Total Other Financing Sources		-	(220)	(220)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	(220)	(220)
Fund Balance - beginning of period	220	220	220	-
Fund Balance - end of period	$ 220	$ 220	$ -	$ (220)

DECATUR COUNTY, GEORGIA
Telecommunications Reserve Fund - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Contributions & donations	$ 18,000	$ 18,000	$ 25,013	$ 7,013
Interest Income	40	40	247	207
Total Revenues	18,040	18,040	25,260	7,220
Expenditures				
Housing and Development	-	12,200	12,182	18
Total Expenditures	-	12,200	12,182	18
Excess (Deficiency) of Revenues Over Expenditures	18,040	5,840	13,078	7,238
Fund Balance - beginning of period	17,290	17,290	17,290	-
Fund Balance - end of period	$ 35,330	$ 23,130	$ 30,368	$ 7,238

DECATUR COUNTY, GEORGIA
Decatur County Prison Account - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Charges for services	$ 190,000	$ 195,500	$ 195,835	$ 335
Total Revenues	190,000	195,500	195,835	335
Expenditures				
Public Safety	190,000	208,000	207,856	144
Total Expenditures	190,000	208,000	207,856	144
Excess (Deficiency) of Revenues Over Expenditures	-	(12,500)	(12,021)	479
Fund Balance - beginning of period	26,317	26,317	26,317	-
Fund Balance - end of period	$ 26,317	$ 13,817	$ 14,296	$ 479

DECATUR COUNTY, GEORGIA
FEMA - HMGP - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental	$ 1,900,000	$ 1,900,000	179,716	$ (1,720,284)
Total Revenues	1,900,000	1,900,000	179,716	(1,720,284)
Expenditures				
Health	1,900,000	1,900,000	192,721	1,707,279
Total Expenditures	1,900,000	1,900,000	192,721	1,707,279
Excess (Deficiency) of Revenues Over Expenditures	-	-	(13,005)	(13,005)
Fund Balance - beginning of period	(21,141)	(21,141)	(21,141)	-
Fund Balance - end of period	$ (21,141)	$ (21,141)	$ (34,146)	$ (13,005)

DECATUR COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED June 30, 2012

FIDUCIARY FUNDS

DECATUR COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Fiscal Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
MAGISTRATE'S COURT				
Assets				
Cash	$ 617	$ 467,435	$ 467,345	$ 707
Total Assets	$ 617	$ 467,435	$ 467,345	$ 707
Liabilities				
Due to other funds & agencies	$ 211	$ 123,139	$ 123,139	$ 211
Due to others	406	344,296	344,206	496
Total Liabilities	$ 617	$ 467,435	$ 467,345	$ 707
CLERK OF THE COURTS				
Assets				
Cash	$ 69,278	$ 1,588,107	$ 1,576,103	$ 81,282
Total Assets	$ 69,278	$ 1,588,107	$ 1,576,103	$ 81,282
Liabilities				
Due to other funds and agencies	$ 2,674	$ 1,366,914	$ 1,324,949	$ 44,639
Due to others	66,604	221,193	251,154	36,643
Total Liabilities	$ 69,278	$ 1,588,107	$ 1,576,103	$ 81,282
TAX COMMISSIONER				
Assets				
Cash	$ 593,394	$ 22,115,933	$ 22,314,373	$ 394,954
Receivables	423,502	17,752,605	17,620,758	555,349
Total Assets	$ 1,016,896	$ 39,868,538	$ 39,935,131	$ 950,303
Liabilities				
Due to other funds and agencies	$ 751,267	$ 39,683,043	$ 40,115,912	$ 318,398
Due to others	265,629	621,702	255,426	631,905
Total Liabilities	$ 1,016,896	$ 40,304,745	$ 40,371,338	$ 950,303
PROBATE COURT				
Assets				
Cash	$ 54	$ 68,347	$ 68,321	$ 80
Total Assets	$ 54	$ 68,347	$ 68,321	$ 80
Liabilities				
Due to other funds and agencies	$ 54	$ 68,347	$ 68,321	$ 80
Total Liabilities	$ 54	$ 68,347	$ 68,321	$ 80
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	$ 663,343	$ 24,239,822	$ 24,426,142	$ 477,023
Receivables	423,502	17,752,605	17,620,758	555,349
Total Assets	$ 1,086,845	$ 41,992,427	$ 42,046,900	$ 1,032,372
Liabilities				
Due to other funds and agencies	$ 754,206	$ 41,241,443	$ 41,632,321	$ 363,328
Due to others	332,639	1,187,191	850,786	669,044
Total Liabilities	$ 1,086,845	$ 42,428,634	$ 42,483,107	$ 1,032,372

DECATUR COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED June 30, 2012

INTERNAL SERVICE FUNDS

DECATUR COUNTY, GEORGIA
Combining Statement of Net Assets
Internal Service Funds
June 30, 2012

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Assets			
Current Assets:			
Cash on hand and in banks	$ -	$ 16,553	$ 16,553
Prepaid insurance	63,815	-	63,815
Due from other funds	4,754,545	-	4,754,545
Total current assets	4,818,360	16,553	4,834,913
Noncurrent assets:			
Property, plant & equipment (net of accumulated depreciation)	3,208	-	3,208
Total noncurrent assets	3,208	-	3,208
Total Assets	4,821,568	16,553	4,838,121
Liabilities			
Current liabilities:			
Accounts payable	60,611	-	60,611
Accrued expenses	10,378	-	10,378
Due to other funds	5,188,334	693,221	5,881,555
Total current liabilities	5,259,323	693,221	5,952,544
Total Liabilities	5,259,323	693,221	5,952,544
Net Assets			
Investment in capital assets	3,208	-	3,208
Unrestricted	(440,963)	(676,668)	(1,117,631)
Total Net Assets (deficit)	$ (437,755)	$ (676,668)	$ (1,114,423)

DECATUR COUNTY, GEORGIA
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2012

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Operating Revenues			
Charges for services	$ 2,334,762	$ 1,749,993	$ 4,084,755
Total Operating Revenue	2,334,762	1,749,993	4,084,755
Operating Expenses			
Personal services	472,828	-	472,828
Services and supplies	1,857,121	1,879,288	3,736,409
Depreciation	4,813	-	4,813
Total Operating Expense	2,334,762	1,879,288	4,214,050
Operating Income (Loss)	-	(129,295)	(129,295)
Nonoperating Revenues (Expenses)			
Interest earned	-	28	28
Total Nonoperating Revenues (Expenses)	-	28	28
Change in net assets	-	(129,267)	(129,267)
Net assets (deficit) - beginning of year	(437,755)	(547,401)	(985,156)
Net assets (deficit) - end of year	$ (437,755)	$ (676,668)	$ (1,114,423)

DECATUR COUNTY, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2012

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Cash flows from Operating Activities			
Cash received from customers	$ 2,334,762	$ 1,749,993	$ 4,084,755
Cash payments to suppliers for goods & services	(1,858,340)	(1,736,172)	(3,594,512)
Cash payments to employees for services	(476,422)	-	(476,422)
Net cash provided (used) by operating activities	-	13,821	13,821
Cash flows from Investing Activities			
Interest income	-	28	28
Net cash provided (Used) from investing activities	-	28	28
Net increase (decrease) in cash & cash equivalents	-	13,849	13,849
Cash & cash equivalents - beginning of year	-	2,704	2,704
Cash & cash equivalents - end of year	$ -	$ 16,553	$ 16,553
Displayed as:			
Cash on hand and in banks	$ -	$ 16,553	$ 16,553
Totals	$ -	$ 16,553	$ 16,553

DECATUR COUNTY, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2012

	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)	$ -	$ (129,295)	$ (129,295)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	4,813	-	4,813
Change in Assets & Liabilities:			
(Increase) decrease in prepaid insurance	(6,111)	-	(6,111)
Increase (decrease) in accounts payable	(60,770)	-	(60,770)
Increase (decrease) in accrued expenses	(3,594)	-	(3,594)
(Increase) decrease in due from other funds	65,662	143,116	208,778
Net cash provided (used) by operating activities	$ -	$ 13,821	$ 13,821

STATE REPORTING REQUIREMENTS

DECATUR COUNTY, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
For the Fiscal Year Ended June 30, 2012

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	4,501	24,410	
Jail Improvements		341,344	-	341,344	
Livestock Facility Improvements		1,503,471	-	1,503,471	
Recreation Improvements		286,514	-	286,514	
Fire Station and Equipment		1,310	-	1,310	111.42%
Road & Bridge Improvements	6,276,800	7,411,797	-	7,411,797	118.08%
Total	$ 13,526,800	$ 15,484,896	$ 4,501	$ 15,489,397	114.51%

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, 2012

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	$ 642,328	$ 199,655	$ 841,983	28.07%
Telecomumunications System	2,500,000	2,118,626	774,241	2,892,867	115.71%
Landfill	3,000,000	2,131,272	1,827,419	3,958,691	131.96%
Fire/EMS/911 Center	1,000,000	93,652	-	93,652	9.37%
AG Center (Ext. Service/FSA)	260,750	8,130	733,440	741,570	284.40%
Spec Building	190,000	53,437	-	53,437	28.12%
Jail	250,000	68,840	229,120	297,960	119.18%
Fire Department Equip. & Facilities	660,000	27,411	-	27,411	4.15%
Public Safety Equipment	750,000	91,373	77,016	168,389	22.45%
Road & Bridge Improvements	6,200,000	3,098,842	680,548	3,779,390	60.96%
Total	$ 17,810,750	$ 8,333,911	$ 4,521,439	$ 12,855,350	72.18%

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	$ 3,541,386	$ 1,508,349	$ 5,049,735
City of Attapulgus	148,325	63,175	211,500
City of Climax	90,158	38,400	128,558
City of Brinson	67,861	28,903	96,764
Hospital Authority	1,163,335	495,488	1,658,823
Total	$ 5,011,065	2,134,315	$ 7,145,380

Reconciliation to SPLOST Capital Project Fund:	
Expenditures per Schedule above	$ 6,655,754
SPLOST debt service expenditures reported in the Debt Service Fund	(515,981)
Proceeds from Grant Programs	715,065
Net Adjustments	199,084
Expenditures and transfers per Statements on page 6	$ 6,854,838

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, 2012

	Per Audited Financials	Per Local Revolving Loan Semi-Annual Report
Assets		
Cash	$ 44,967	$ 44,967
Notes receivable	485,623	485,623
Total Assets	$ 530,590	$ 530,590
Liabilities and equity	$ 530,590	$ 530,590



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, 2012 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, 2012 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
December 21, 2012

2467 Demere Road, St. Simons Island, GA ~ 912-638-1010 (ofc) / 912-638-1013 (fax)
140 The Lakes Boulevard, Suite 200, Kingsland, GA ~ 912-223-0108 (ofc) / 912-638-1013 (fax)

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2012

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:			$ 165,288
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	46-5-134(a)(2)	$ 1.50	
7	Total revenue from wireless telecommunications connection subscribers:			$ 273,038
8	Total Line 3 plus Line 7 (should equal UCOA Revenue Source 34.2500)			$ 438,326
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			$ 431,296
	_____			$
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, 2012

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)		$ 869,622
	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)	$ 2,430
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)	$ 483,548
16b	Employee benefits	46-5-134(f)(3)	$ 145,390
17	Cost of training of employees who work as dispatchers	46-5-134(f)(3)	$ 3,105
18	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(4)	$ 5,948
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, 2012

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)	$	-
20b	Purchase costs	46-5-134(f)(6)	$	-
20c	Maintenance costs	46-5-134(f)(6)	$	5,350
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		$	10,436
	Postage		$	236
	Travel		$	6,461
	Dues and subscriptions		$	37
	Contractual Services		$	194,878
	Energy		$	2,450
	Administrative cost - paid with resources transferred from General Fund		$	82,112
	Other services		$	81
24	Total Expenditures (total of all amounts reported on Lines 13 through 23 above)		$	942,462
25	Transfers From Other Funds (identify by fund)			
	General Fund - in an amount equal to administrative cost		$	82,112
			$	
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, 2012

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)		$ 9,272
29	Fund Balance - Beginning of Year		$ (66,508)
30	Fund Balance - End of Year		$ (57,236)

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 C.T. Stafford Date December 21, 2012

Print Name of Chief Elected Official Dr. C.T. Stafford

Title of Chief Elected Official Commission Chairman

Signature of Chief Financial Officer Michelle West Date December 21, 2012

Print Name of Chief Financial Officer Michelle West

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, 2012, which collectively comprise Decatur County, Georgia's basic financial statements and have issued our report thereon dated December 21, 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, Georgia'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

2467 Demere Road, St. Simons Island, GA ~ 912-638-1010 (ofc) / 912-638-1013 (fax)
140 The Lakes Boulevard, Suite 200, Kingsland, GA ~ 912-223-0108 (ofc) / 912-638-1013 (fax)

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
December 21, 2012

DECATUR COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

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 no instances of noncompliance that were not deemed material to the financial statements.

4. No material weaknesses were identified.

FEDERAL AWARDS

Not Applicable

B. FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

12-01 Improper Segregation of Duties
(Repeat violation No. 11-01 from June 30, 2011)

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

Not Applicable

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 and 2012. However, Decatur County, Georgia was subject to Single Audit procedures pursuant to OMB Circular A-133 for the year ended June 30, 2011. For the year ended June 30, 2011, Decatur County, Georgia had the following finding and its status is still the same for the year ended June 30, 2012.

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.