Decatur County, Georgia

Financial Statements and Auditors' Report

For the Fiscal Year Ended
June 30, 2013

DECATUR COUNTY, GEORGIA

REPORT ON EXAMINATION

OF

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2013

DECATUR COUNTY, GEORGIA
For The Fiscal Year Ended June 30, 2013
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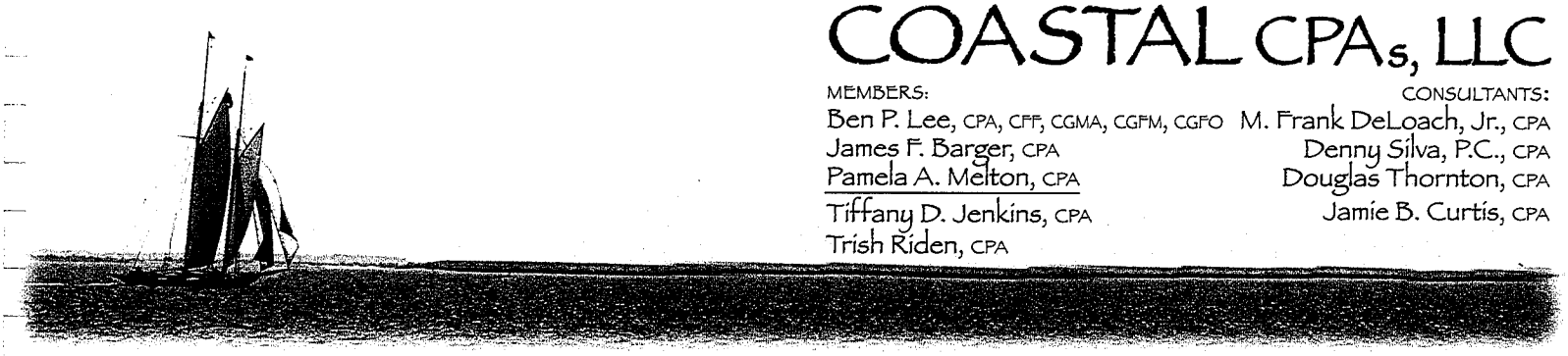
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COASTAL CPAs, LLC

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Decatur County, Georgia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the aggregate discretely presented component units, which represents 35.54% and 62.29%, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 from material misstatement.

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

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

Opinions

In our opinion, 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 Decatur County, Georgia, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Decatur County, Georgia, Georgia's basic financial statements. The accompanying schedule of expenditures of Special Purpose Local Option Sales Tax proceeds (page 78-79) 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 and schedules on pages 62 through 84 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of Special Purpose Local Option Sales Tax proceeds, the statement of sources and status of funds the statement of program costs, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2014, on our consideration of Decatur County, Georgia, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Decatur County, Georgia's internal control over financial reporting and compliance.

Coastal CPAs, LLC

Coastal CPAs, LLC
St. Simons Island, Georgia
January 15, 2014

DECATUR COUNTY GOVERNMENT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2013

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, 2013. 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 position totaled $42,544,332 for its governmental and business-type activities, a decrease of $2,385,779 from the previous fiscal year.

- Total combined revenues for governmental and business-type activities were $29,608,325.
- Overall expenses were $31,994,104, of which governmental activities were $27,288,918 and business-type activities were $4,705,186.
- As of June 30, 2013, governmental activities' expenses exceeded program revenue, resulting in the use of $16,590,568 in general revenues (primarily taxes).
- In the County's business-type activities, revenues were $4,840,143 and expenses were $4,705,186, for an operating gain of $134,957 for 2013. Operating gains for the County's business-type activities are also supplemented by general revenues.
- The General Fund resources available for appropriation were $179,196 less than budgeted and expenditures were $216,513 less than budgeted.
- The combined governmental funds' balance as of June 30, 2013 was $5,572,814, of which the General Fund comprised $8,310,301, the Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Funds comprised $(2,946,140), and other governmental funds comprised $208,653.
- The General Fund reported a decrease of $144,021 in unassigned fund balance to $3,149,505 from the prior fiscal year. This compares with an unassigned fund balance of $3,293,526 and a decrease of $814,224 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 Position 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 Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. The Statement of Activities presents information showing how the County's net position 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 Position 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 Position 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 position and changes in them. You can think of the County's net position—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 position 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 Position 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 Position 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 Position 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 73. 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 POSITION

The County's combined net position decreased $2,385,779 from a year ago—from $44,930,111 to $42,544,332. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the County's governmental and business-type activities.

Table 1
Net Position
(000's omitted)

	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
Assets:	2012	2013	2012	2013	2012	2013	2012-2013
Current assets	$ 7,358	$ 7,408	$ (1,965)	$ (2,091)	$ 5,393	$ 5,317	-1.4%
Restricted assets- non current	-	-	91	93	91	93	2.2%
Pension net excess	316	322	-	-	316	322	-
Capital assets- net	36,131	33,973	17,963	17,497	54,094	51,470	-4.9%
Total assets	**43,805**	**41,703**	**16,089**	**15,499**	**59,894**	**57,202**	**-4.5%**
Liabilities:							
Long-term debt outstanding	7,647	7,417	4,449	4,238	12,096	11,655	-3.6%
Other liabilities	2,618	2,607	249	396	2,867	3,003	4.7%
Total liabilities	**10,265**	**10,024**	**4,698**	**4,634**	**14,963**	**14,658**	**-2.0%**
Net position:							
Net investment in capital assets	28,459	26,540	17,144	16,893	45,603	43,433	-4.8%
Restricted	1,297	1,369	91	93	1,388	1,462	5.3%
Unrestricted (deficit)	3,784	3,770	(5,844)	(6,121)	(2,060)	(2,351)	14.1%
Total net position	**$ 33,540**	**$ 31,679**	**$ 11,391**	**$ 10,865**	**$ 44,931**	**$ 42,544**	**-5.3%**

The County's total net position (governmental and business-type activities) was $42,544,332 as of June 30, 2013. The County's unrestricted net position was a negative $2,351,226 at June 30, 2013; however, $43,433,118 was the net investment in capital assets.

The largest portion of the County's net position reflects its net investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges,). 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 position of our business-type activities decreased by 5 percent to $10,865,215 compared to $11,390,883 in 2012.

CHANGES IN NET POSITION

The County's total change in net position was a negative $2,385,779 from the prior fiscal year as a result of a negative $1,860,111 in its governmental activities and a negative $525,668 in its business-type activities.

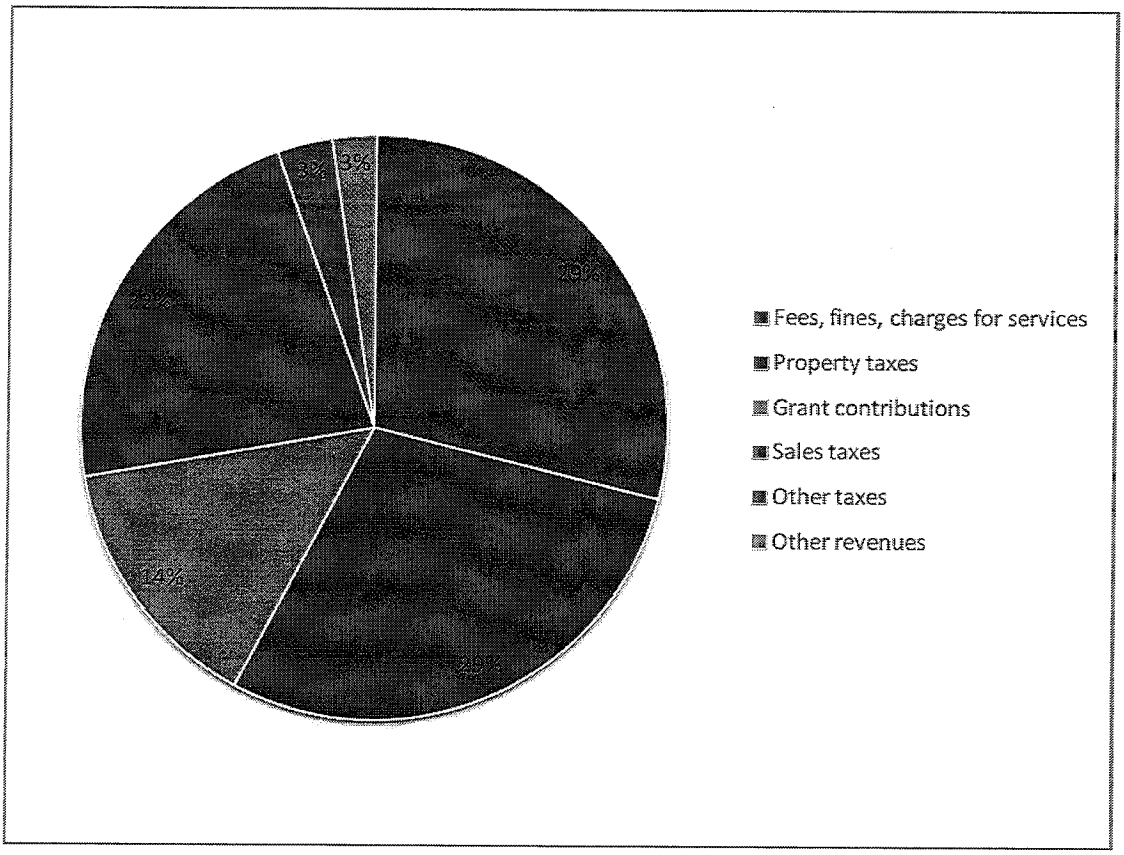
Table 2
Changes in Net Position
(000's omitted)

	Governmental Activities		Business Type Activities		Total Primary Government		Total % Change
	2012	2013	2012	2013	2012	2013	2012-2013
Revenues							
Program revenues:							
Charges for services	$ 3,878	$ 3,762	$ 5,444	$ 4,782	$ 9,322	$ 8,544	-8.3%
Operating grants	898	3,397	-	-	898	3,397	278.3%
Capital grants	766	794	261	58	1,027	852	-17.0%
General revenues:							
Property taxes	7,828	8,566	-	-	7,828	8,566	9.4%
Other taxes	8,231	7,494	-	-	8,231	7,494	-9.0%
Grants not restricted to specific programs	1	27	-	-	1	27	2600.0%
Investment earnings	52	42	1	-	53	42	-20.8%
Miscellaneous	458	512	-	-	458	512	11.8%
Total general / program revenues	**22,112**	**24,594**	**5,706**	**4,840**	**27,818**	**29,434**	**5.8%**
Program Expense							
General government	1,678	1,520	-	-	1,678	1,520	-9.4%
Judicial	1,642	1,577	-	-	1,642	1,577	-4.0%
Public safety	12,028	11,729	1,446	1,297	13,474	13,026	-3.3%
Public works	5,440	5,836	4,486	3,408	9,926	9,244	-6.9%
Health and welfare	528	2,943	-	-	528	2,943	457.4%
Culture and recreation	295	226	-	-	295	226	-23.4%
Housing and development	866	416	-	-	866	416	-52.0%
Interest and fiscal charges	301	297	-	-	301	297	-1.3%
Total program expenses	**22,778**	**24,544**	**5,932**	**4,705**	**28,710**	**29,249**	**1.9%**
Changes in net assets	(666)	50	(226)	135	(892)	185	120.7%
Special item	34	171	1	3	35	174	397.1%
Extraordinary item	-	(2,745)	-	-	-	(2,745)	-
Transfers	(46)	664	46	(664)	-	-	-
Changes in net position	**$ (678)**	**$ (1,860)**	**$ (179)**	**$ (526)**	**$ (857)**	**$ (2,386)**	**-178.4%**

Depreciation expenses of $2,654,199 were allocated to the governmental and business type activities. $1,686,593 was allocated to the function of governmental activities and $967,606 was allocated to the function of business type activities.

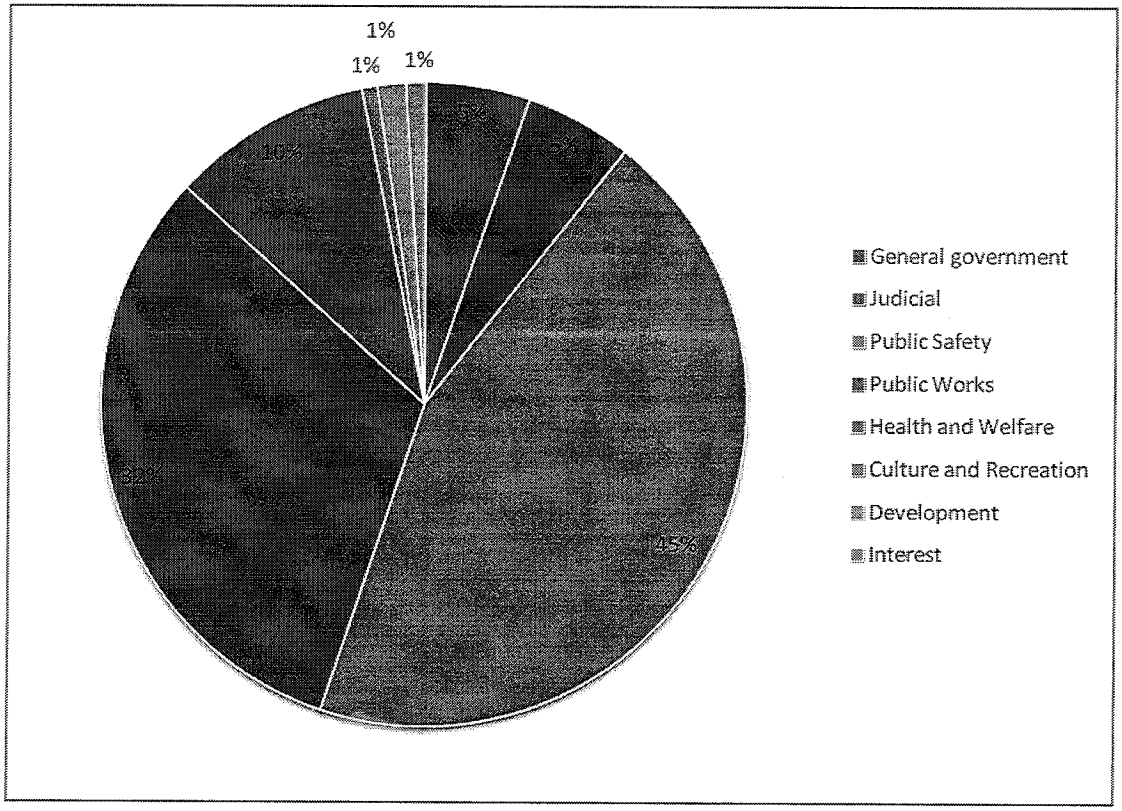
As can be seen from the chart following, approximately 29% of the County's combined total revenue is provided by property taxes, 29% by fees, fines, and charges for services, 22% by sales taxes, 3% by other taxes, and the remaining 17% by a combination of grants, contributions, investment income and 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 2013



The County's major expenses, at 45% 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 2013



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 2013 fiscal year with a balance of $5,572,814 in its governmental funds. Of this, there is a non-spendable portion of $4,039,590 in the General Fund. Restricted fund balance is made up of $22,092 restricted for legal reference materials, $80,929 restricted for public safety, $164,962 restricted for economic

development, and $35,321 restricted for other purposes. There is $1,085,885 in the General Fund that is committed to retirement. Unassigned fund balance is made up of $3,149,505 in the General Fund, a deficit of $2,613,445 in the SPLOST IV capital projects fund, a deficit of 332,695 in the SPLOST V capital projects fund, and a deficit of $59,330 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 $8,310,301, of which $3,149,505 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 $160,161 during FY 2013, primarily due to a transfer of $ 700,000 from the Landfill Fund. Additional information about the General Fund can be found on pages 55-56.

FEMA – HMGP Special Revenue Fund

The FEMA – HMGP Special Revenue Fund is used to account for the revenues and expenditures of the FEMA – HMGP grant.

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, 2013.

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

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

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

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

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

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

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

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SPLOST expenditures during FY 2013 consisted of the following:

Description	SPLOST IV	SPLOST V
Solid Waste Activities	$ -	$ 35,964
Silver Lake Property	-	199,655
Telecommunications System	-	11
Jail Improvements	-	-
Livestock Facility Improvements	-	-
Recreation Improvements	-	-
Fire Station and Equipment	-	-
Fire/EMS/911 Center	-	-
Public Safety Equipment	-	-
Ag Center	-	23,548
Spec Building	-	-
Road and Bridge Improvements	-	209,029
Total	$ -	$ 468,207

Additional information on the SPLOST Capital Projects funds can be found on pages 4-7 and pages 78-79.

Other Governmental Funds

Combined assets were $786,577; liabilities $577,924; restricted fund balance was $267,983; unassigned fund balance was a negative $59,330 for the year ended June 30, 2013. 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
- Recovery Act – JAG Fund
- Mandatory Drug Fund
- Telecommunications Reserve 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 gains which totaled $43,046. This compares to last year's operating losses of Water and Sewer, Natural Gas, Airport, Landfill, and Ambulance Service Funds of $701,531. The operating gains in the business-type activities were increased 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 73 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 $1,322,551.

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 $160,164.

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 $179,196 less than budgeted and actual expenditures were $216,513 less than budgeted and other financing sources/uses and special items reflects a positive $122,847 variance resulting in the increase in unassigned financial resources of $160,164.

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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, 2013, amounts to $51,469,552 net of accumulated depreciation of $41,053,698. 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, decreased $2,157,744 for governmental activities and increased $465,873 for business-type activities. Depreciation expense for the period was $5,399,276, of which $3,441,278 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, 2013, Decatur County had $11,655,159 in outstanding long-term debt principal, of which $2,328,272 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. $645,070 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 $128,816. In 2009, the County 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 $33,615. In 2013, the County entered into another debt agreement with USDA Rural Development for the purpose of purchasing additional patrol vehicles. The current portion of this debt in the upcoming fiscal year is $30,771. 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 $1,470,000. 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 $828,138 for closure and post closure costs for the old landfill, which was closed in July 2006. Also, the landfill fund has an accrued liability of $2,806,464 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 7 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 2013 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.

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DECATUR COUNTY, GEORGIA
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-Type Activities	Total	Total Component Units
ASSETS				
Cash on hand and in banks	$ 1,665,708	$ 18,159	$ 1,683,867	$ 903,326
Pooled cash	124	-	124	-
Receivable (net, where applicable, of allowances for uncollectible):				
Taxes	209,548	-	209,548	-
Accounts	16,675	964,858	981,533	9,964,549
Other	394,104	-	394,104	2,083,403
Internal balances	3,111,204	(3,111,204)	-	-
Due from other governments	1,672,328	37,885	1,710,213	109,421
Inventory, at cost	15,775	-	15,775	548,978
Prepaid expenses	253,253	-	253,253	449,293
Deferred charges	69,375	-	69,375	-
Restricted assets	-	92,798	92,798	2,222,964
Pension net excess	322,267	-	322,267	-
Land and construction in progress	8,566,115	3,905,604	12,471,719	900,038
Other capital assets, net of depreciation	25,406,642	13,591,191	38,997,833	14,356,214
Total Assets	41,703,118	15,499,291	57,202,409	31,538,186
LIABILITIES				
Accounts payable and accrued expenses	728,463	313,045	1,041,508	2,989,167
Accrued liabilities	465,108	83,098	548,206	3,968,787
Deferred revenue	392,204	-	392,204	-
Short-term notes payable	1,021,000	-	1,021,000	-
Long-term liabilities:				
Portion due and payable within one year:				
Capital leases, notes and bonds payable	2,118,704	209,568	2,328,272	282,598
Portion due and payable after one year:				
Capital leases, notes and bonds payable	5,298,522	393,763	5,692,285	5,847,502
Accrued closure/postclosure costs	-	3,634,602	3,634,602	-
Compensated absences payable	-	-	-	67,622
Total Liabilities	10,024,001	4,634,076	14,658,077	13,155,676
NET POSITION				
Net investment in capital assets	26,539,654	16,893,464	43,433,118	9,126,152
Restricted for:				
Other projects	267,983	-	267,983	-
Other purposes	1,101,659	92,798	1,194,457	483,829
Unrestricted	3,769,821	(6,121,047)	(2,351,226)	8,772,529
Total net position	$ 31,679,117	$ 10,865,215	$ 42,544,332	$ 18,382,510

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

DECATUR COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2013

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 Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Governmental:								
General Government	$ 1,520,198	$ 58,970	$ -	$ -	$ (1,461,228)		$ (1,461,228)	
Judicial	1,576,664	1,130,449	91,246	-	(354,969)		(354,969)	
Public Safety	11,729,026	2,563,860	546,157	-	(8,619,009)		(8,619,009)	
Public Works	5,836,041	-	10,398	794,323	(5,031,320)		(5,031,320)	
Health and Welfare	2,943,490	1,898	2,655,990	-	(285,602)		(285,602)	
Culture and Recreation	225,705	-	-	-	(225,705)		(225,705)	
Housing and Development	415,986	6,564	93,419	-	(316,003)		(316,003)	
Interest on long-term debt	296,732	-	-	-	(296,732)		(296,732)	
Total governmental activities	24,543,842	3,761,741	3,397,210	794,323	(16,590,568)		(16,590,568)	
Business-type:								
Water and Sewer	486,467	192,041	-	-	-	$ (294,426)	(294,426)	
Natural Gas	340,654	429,806	-	-	-	89,152	89,152	
Airport	1,004,112	608,198	-	57,831	-	(338,083)	(338,083)	
Ambulance Service	1,297,349	858,915	-	-	-	(438,434)	(438,434)	
Landfill	1,576,604	2,693,352	-	-	-	1,116,748	1,116,748	
Total business-type activities	4,705,186	4,782,312	-	57,831	-	134,957	134,957	
Total primary government	$ 29,249,028	$ 8,544,053	$ 3,397,210	$ 852,154				
Component units:								
Hospital Authority of Bainbridge and Decatur County	$ 41,958,950	$ 42,183,250	$ -	$ -				$ 224,300
Decatur County Health Department	1,517,234	487,200	1,059,118	-				29,084
Total component units	$ 43,476,184	$ 42,670,450	$ 1,059,118	$ -				253,384

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

DECATUR COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2013

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 Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Changes in Net position:								
Net (expenses) revenue (Page 2)					(16,590,568)	134,957	(16,455,611)	253,384
General revenues:								
Taxes								
Property taxes, levied for general purposes					8,566,039	-	8,566,039	-
Sales taxes					6,592,123	-	6,592,123	568,021
Intangible taxes					112,021	-	112,021	-
Insurance premium tax					634,559	-	634,559	-
Other general taxes					154,998	-	154,998	-
Grants not restricted to specific programs					27,034	-	27,034	-
Investment earnings					41,491	194	41,685	-
Miscellaneous					512,214	-	512,214	80,912
Special item - sale of capital assets					171,018	3,217	174,235	-
Extraordinary item - impairment loss on equipment					(2,745,076)	-	(2,745,076)	-
Transfers					664,036	(664,036)	-	-
Total general revenues, extraordinary items, and transfers					14,730,457	(660,625)	14,069,832	648,933
Change in net position					(1,860,111)	(525,668)	(2,385,779)	902,317
Net assets - beginning - as previously reported					33,539,228	11,135,855	44,675,083	17,480,193
Prior period adjustment					-	255,028	255,028	-
Net position - beginning					33,539,228	11,390,883	44,930,111	17,480,193
Net position - ending					$ 31,679,117	$ 10,865,215	$ 42,544,332	$ 18,382,510

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

DECATUR COUNTY, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2013

ASSETS	General Fund	FEMA - HMGP	Debt Service Fund	SPLOST 4	SPLOST 5	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 781,696	$ -	$ -	$ -	$ 623,614	$ 240,413	$ 1,645,723
Taxes receivable, net	209,548	-	-	-	-	-	209,548
Due from other funds	13,159,635	-	-	-	-	48,299	13,207,934
Receivable from other governments	893,354	31,698	-	-	641,616	105,661	1,672,329
Other receivables	18,575	-	-	-	-	392,204	410,779
Inventories	15,775	-	-	-	-	-	15,775
Total assets	$ 15,078,583	$ 31,698	$ -	$ -	$ 1,265,230	$ 786,577	$ 17,162,088
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 287,785	$ -	$ -	$ -	$ 187,555	$ 20,647	$ 495,987
Due to other funds	4,881,636	31,698	-	2,613,445	1,410,370	141,417	9,078,566
Deferred revenue	148,320	-	-	-	-	392,204	540,524
Short-term notes payable	1,021,000	-	-	-	-	-	1,021,000
Other accrued expenses	363,509	-	-	-	-	23,656	387,165
Other payables	66,032	-	-	-	-	-	66,032
Total liabilities	6,768,282	31,698	-	2,613,445	1,597,925	577,924	11,589,274
Fund balances:							
Nonspendable:							
Long-Term Interfund Receivable	4,023,815		-	-	-	-	4,023,815
Inventories	15,775	-	-	-	-	-	15,775
Restricted for:							
Legal Reference Materials	-	-	-	-	-	22,092	22,092
Public Safety	-	-	-	-	-	80,929	80,929
Economic Development	-	-	-	-	-	164,962	164,962
Other Purposes	35,321	-	-	-	-	-	35,321
Committed to:							
Retirement	1,085,885	-	-	-	-	-	1,085,885
Unassigned	3,149,505	-	-	(2,613,445)	(332,695)	(59,330)	144,035
Total fund balances (deficit)	8,310,301	-	-	(2,613,445)	(332,695)	208,653	5,572,814
Total liabilities and fund balances	$ 15,078,583	$ 31,698	$ -	$ -	$ 1,265,230	$ 786,577	$ 17,162,088

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 Position
June 30, 2013

Total fund balance, governmental funds	$	5,572,814
Amounts reported for governmental activities in the Statement of Net Position 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 Position.		33,973,681
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 Position.		(990,117)
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.		148,320
Pension net position is not a current financial resource and is not recognized at the fund financial reporting level but is reported in the governmental activities of the Statement of Net Position.		322,267
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 Position.		(7,347,848)
Net Position of Governmental Activities in the Statement of Net Position	$	31,679,117

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, 2013

	General Fund	FEMA - HMGP	Debt Service Fund	SPLOST 4	SPLOST 5	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	$ 8,518,645	$ -	$ -	$ -	$ -	$ -	$ 8,518,645
Sales and miscellaneous taxes	3,243,076	-	2,121,321	-	2,174,621	-	7,539,018
Fees and fines	1,081,784	-	-	-	-	50,129	1,131,913
Licenses and permits	85,731	-	-	-	-	-	85,731
Intergovernmental	238,065	2,657,888	-	-	789,116	596,317	4,281,386
Charges for services	1,947,358	-	-	-	-	621,577	2,568,935
Investment earnings	41,148	-	-	-	5,207	6,907	53,262
Miscellaneous	250,365	-	-	-	45,449	-	295,814
Contributions and donations	3,347	-	-	-	-	-	3,347
Total Revenues	15,409,519	2,657,888	2,121,321	-	3,014,393	1,274,930	24,478,051
EXPENDITURES							
Current:							
General Government	1,394,750	-	-	-	-	32,174	1,426,924
Judicial	1,562,044	-	-	-	-	-	1,562,044
Public Safety	10,187,113	-	-	-	-	1,194,647	11,381,760
Public Works	1,995,999	-	-	-	-	-	1,995,999
Health and Welfare	172,397	-	-	-	-	-	172,397
Culture and Recreation	132,019	-	-	-	-	-	132,019
Housing and Development	364,435	2,749,495	-	-	-	10,355	3,124,285
Intergovernmental	-	-	-	-	2,695,964	-	2,695,964
Capital Outlay							
Judicial	4,581	-	-	-	-	-	4,581
Public Safety	1,508,924	-	-	-	-	15,562	1,524,486
Public Works	271,104	-	-	-	664,539	-	935,643
Culture and Recreation	-	-	-	-	23,548	-	23,548
Debt Service:							
Principal	244,810	-	1,862,938	-	-	-	2,107,748
Interest and other charges	46,287	-	258,383	-	-	-	304,670
Total Expenditures	17,884,463	2,749,495	2,121,321	-	3,384,051	1,252,738	27,392,068
Excess (deficiency) of revenues over expenditures	(2,474,944)	(91,607)	-	-	(369,658)	22,192	(2,914,017)
OTHER FINANCING SOURCES (USES)							
Proceeds from long-term debt, net	165,000	-	-	-	-	-	165,000
Proceeds from capital leases	1,755,304	-	-	-	-	-	1,755,304
Transfers in	-	125,753	-	-	-	67,464	193,217
Transfers out	543,783	-	-	-	(35,964)	(37,000)	470,819
Total other financing sources (uses)	2,464,087	125,753	-	-	(35,964)	30,464	2,584,340
SPECIAL ITEM							
Proceeds from sale of assets	171,018	-	-	-	-	-	171,018
Net change in fund balances	160,161	34,146	-	-	(405,622)	52,656	(158,659)
Fund Balances (deficit) - beginning	8,150,140	(34,146)	-	(2,613,445)	72,927	155,997	5,731,473
Fund balances (deficit) - ending	$ 8,310,301	$ -	$ -	$(2,613,445)	$ (332,695)	$ 208,653	$ 5,572,814

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, 2013

Net change in fund balances - total governmental funds:	$	(158,659)
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 $2,199,934 exceeded depreciation $4,427,535 in the current period.		(2,227,601)
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.		115,698
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 Position.		187,444
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		6,508
Unamortized premium		42,626
Deferred charges		(34,688)
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and information technology, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		208,561
Change in net position of governmental activities	$	(1,860,111)

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2013

	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	$ -	$ -	$ 17,959	$ 200	$ -	$ 18,159	$ 20,109
Intergovernmental receivable	-		37,885	-	-	37,885	-
Accounts receivable	22,604	32,181	18,360	337,718	553,995	964,858	-
Prepaid insurance	-	-	-	-	-	-	253,253
Due from other funds	-	593,274	-	-	1,669,190	2,262,464	6,209,953
Total current assets	22,604	625,455	74,204	337,918	2,223,185	3,283,366	6,483,315
Noncurrent assets:							
Restricted assets:							
Cash and investments, at cost	92,798	-	-	-	-	92,798	-
Property, plant & equipment (net of accumulated depreciation)	3,629,932	69,859	3,525,476	169,701	10,101,827	17,496,795	73,065
Total noncurrent assets	3,722,730	69,859	3,525,476	169,701	10,101,827	17,589,593	73,065
Total Assets	3,745,334	695,314	3,599,680	507,619	12,325,012	20,872,959	6,556,380
Liabilities							
Current liabilities:							
Accounts payable	63,854	17,738	72,803	16,500	142,150	313,045	232,478
Accrued expenses	5,748	19,763	4,937	35,732	6,613	72,793	11,911
Due to other funds	1,816,327	127,680	803,601	1,654,950	1,041,400	5,443,958	7,157,827
Accrued interest-G.E.F.A.	10,305	-	-	-	-	10,305	-
Capital leases	-	-	-	-	189,568	189,568	-
Total current liabilities	1,896,234	165,181	881,341	1,707,182	1,379,731	6,029,669	7,402,216
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	-	-	-	-	3,634,602	3,634,602	-
Capital leases	-	-	-	-	258,763	258,763	-
Revenue bonds	135,000	-	-	-	-	135,000	-
Total noncurrent liabilities	135,000	-	-	-	3,893,365	4,028,365	-
Total Liabilities	2,051,234	165,181	881,341	1,707,182	5,273,096	10,078,034	7,402,216
Net Position							
Net investment in capital assets	3,474,932	69,859	3,525,476	169,701	9,653,496	16,893,464	73,065
Restricted for debt service	92,798	-	-	-	-	92,798	-
Unrestricted	(1,873,630)	460,274	(807,137)	(1,369,264)	(2,601,580)	(6,191,337)	(918,901)
Total Net Position	$ 1,694,100	$ 530,133	$ 2,718,339	$ (1,199,563)	$ 7,051,916	10,794,925	$ (845,836)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						70,290	
Net position of business-type activities						$ 10,865,215	

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds						
	Water and Sewer	Natural Gas	Airport	Ambulance Service	Landfill	Totals	Internal Service Funds
Operating Revenues							
Charges for services	$ 192,041	$ 429,806	$ 598,088	$ 858,915	$ 2,693,352	$ 4,772,202	$ 4,385,092
Rental income	-	-	10,110	-	-	10,110	-
Total Operating Revenue	192,041	429,806	608,198	858,915	2,693,352	4,782,312	4,385,092
Operating Expenses							
Personal services	151,898	17,004	111,261	963,479	206,256	1,449,898	293,074
Services and supplies	220,533	298,574	639,308	182,149	699,431	2,039,995	3,819,310
Allocated administration cost	33,185	24,915	64,492	82,298	58,448	263,338	-
Depreciation	79,451	4,863	202,398	91,930	588,965	967,607	4,133
Closure post - closure cost	-	-	-	-	18,428	18,428	-
Total Operating Expense	485,067	345,356	1,017,459	1,319,856	1,571,528	4,739,266	4,116,517
Operating Income (Loss)	(293,026)	84,450	(409,261)	(460,941)	1,121,824	43,046	268,575
Nonoperating Revenues (Expenses)							
Intergovernmental	-	-	57,831	-	-	57,831	-
Interest earned	194	-	-	-	-	194	12
Interest expense	(8,750)	-	-	-	(17,194)	(25,944)	-
Total Nonoperating Revenues (Expenses)	(8,556)	-	57,831	-	(17,194)	32,081	12
Net Income before Special Item	(301,582)	84,450	(351,430)	(460,941)	1,104,630	75,127	268,587
Special Item - Gain (Loss) on disposal of assets	-	-	-	-	3,217	3,217	-
Net Income before Transfers	(301,582)	84,450	(351,430)	(460,941)	1,107,847	78,344	268,587
Transfers							
Transfers in	-	-	-	-	35,964	35,964	-
Transfers out	-	-	-	-	(700,000)	(700,000)	-
Net transfers in (out)	-	-	-	-	(664,036)	(664,036)	-
Change in net position	(301,582)	84,450	(351,430)	(460,941)	443,811	(585,692)	268,587
Net assets-beginning of the year (originally stated)	1,995,682	445,683	3,069,769	(738,622)	6,353,077	11,125,589	(1,114,423)
Prior period adjustment	-	-	-	-	255,028	255,028	-
Net position-beginning of year as restated	1,995,682	445,683	3,069,769	(738,622)	6,608,105		(1,114,423)
Net position - end of year	$ 1,694,100	$ 530,133	$ 2,718,339	$ (1,199,563)	$ 7,051,916		$ (845,836)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						60,024	
Change in net position - business-type activities						$ (525,668)	

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, 2013

	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	$ 196,915	$ 476,369	$ 626,937	$ 800,918	$ 2,915,877	$ 5,017,016	$ 4,385,092
Cash payments to suppliers for goods & services	369,012	(459,365)	(482,565)	175,916	(1,795,404)	(2,192,406)	(4,016,017)
Cash payments to employees for services	(153,900)	(17,004)	(111,261)	(963,621)	(206,256)	(1,452,042)	(291,541)
Net cash provided (used) by operating activities	412,027	-	33,111	13,213	914,217	1,372,568	77,534
Cash flows from Noncapital Financing Activities							
Transfers in (out)	-	-	-	-	(700,000)	(700,000)	-
Net cash provided (used) by noncapital financing activities		-	-	-	(700,000)	(700,000)	-
Cash Flows from Capital & Related Financing Activities							
Acquisition & construction of capital assets	(382,011)	-	(65,955)	(13,213)	(40,555)	(501,734)	(73,990)
Principal paid on revenue bonds & loans	(20,000)	-	-	-	-	(20,000)	-
Interest paid on revenue bonds & loans	(8,750)	-	-	-	-	(8,750)	-
Contributed capital	-	-	19,946	-	-	19,946	-
Transfers in from SPLOST fund	-	-	-	-	35,964	35,964	-
Principal payments - capital leases	-	-	-	-	(195,649)	(195,649)	-
Proceeds from sales of capital assets	-	-	-	-	3,217	3,217	-
Interest paid on capital leases	-	-	-	-	(17,194)	(17,194)	-
Net cash provided (used) from Capital and related financing activities	(410,761)	-	(46,009)	(13,213)	(214,217)	(684,200)	(73,990)
Cash flows from Investing Activities							
Interest income	194	-	-	-	-	194	12
Net cash provided (Used) from investing activities	194	-	-	-	-	194	12
Net increase (decrease) in cash & cash equivalents	1,460	-	(12,898)	-	-	(11,438)	3,556
Cash & cash equivalents - beginning of year	91,338	-	30,857	200	-	122,395	16,553
Cash & cash equivalents - end of year	$ 92,798	$ -	$ 17,959	$ 200	$ -	$ 110,957	$ 20,109
Displayed as:							
Cash on hand and in banks	$ -	$ -	$ 17,959	$ 200	$ -	$ 18,159	$ 20,109
Restricted assets: Cash and investments, at cost	92,798	-	-	-	-	92,798	-
Totals	$ 92,798	$ -	$ 17,959	$ 200	$ -	$ 110,957	$ 20,109

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, 2013

	Business-Type Activities - Enterprise Funds						
Reconciliation of operating income to net cash provided by operating activities	**Water and Sewer**	**Natural Gas**	**Airport**	**Ambulance Service**	**Landfill**	**Totals**	**Internal Service Funds**
Operating income (loss)	$ (293,026)	$ 84,450	$ (409,261)	$ (460,941)	$ 1,121,824	$ 43,046	$ 268,575
Adjustments to reconcile operating income to net cash provided by operating activities							
Depreciation	79,451	4,863	202,398	91,930	588,965	967,607	4,133
Change in Assets & Liabilities:							
(Increase) decrease in accounts receivable	4,874	46,017	19,138	(57,997)	222,525	234,557	-
(Increase) decrease in prepaid insurance	-	-	-	-	-	-	(189,438)
Increase (decrease) in accounts payable	(37,307)	(7,332)	71,004	(1,357)	125,206	150,214	171,867
Increase (decrease) in accrued expenses	(2,002)	546	(399)	(142)	2,986	989	1,533
(Increase) decrease in due from other funds	660,037	(128,544)	150,231	441,720	(1,147,289)	(23,845)	(179,136)
Net cash provided (used) by operating activities	$ 412,027	$ -	$ 33,111	$ 13,213	$ 914,217	$ 1,372,568	$ 77,534

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013

ASSETS

Cash	$ 742,835
Receivables	579,716
Total Assets	$ 1,322,551

LIABILITIES

Due to other agencies	$ 761,457
Due to others	561,094
Total Liabilities	$ 1,322,551

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Net Position
Component Units
June 30, 2013

	Hospital Authority of Bainbridge, Decatur County, GA March 31, 2013	Decatur County Health Department June 30, 2013	Totals
Assets			
Cash	$ 9,951	$ 893,375	$ 903,326
Accounts receivable - less allowance for uncollectible	9,964,549	-	9,964,549
Other receivables	1,820,939	-	1,820,939
Due from DPH	-	60,381	60,381
Due from DCH	-	49,040	49,040
Inventories	548,978	-	548,978
Prepaid expenses	449,293	-	449,293
Total current assets	12,793,710	1,002,796	13,796,506
Assets limited as to use:			
Internally designated for capital improvements	1,535,550	-	1,535,550
Internally designated for self-insurance	662,414	-	662,414
Restricted by donor for nursing home	25,000	-	25,000
Total assets limited as to use	2,222,964	-	2,222,964
Property, plant and equipment, net	15,240,444	15,808	15,256,252
Notes receivable	262,464	-	262,464
Total assets	$ 30,519,582	$ 1,018,604	$ 31,538,186
Current liabilities:			
Current installments of long-term debt	$ 282,598	$ -	$ 282,598
Accounts payable, trade	2,975,592	13,575	2,989,167
Accrued liabilities	3,636,842	-	3,636,842
Estimated third party payer settlement	331,945	-	331,945
Total current liabilities	7,226,977	13,575	7,240,552
Compensated absences	-	67,622	67,622
Long-term debt, excluding current installments	5,847,502	-	5,847,502
	5,847,502	67,622	5,915,124
Total liabilities	13,074,479	81,197	13,155,676
Net position:			
Net investment in capital assets	9,110,344	15,808	9,126,152
Restricted	44,333	439,496	483,829
Unrestricted	8,290,426	482,103	8,772,529
Total net position	17,445,103	937,407	18,382,510
Total liabilities and net position	$ 30,519,582	$ 1,018,604	$ 31,538,186

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, 2013

Activities:	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Hospital Authority	Net (Expenses) Revenues and Changes in Net Position: Health Department	Net (Expenses) Revenues and Changes in Net Position: Total
Component units:						
Hospital Authority of Bainbridge, Decatur County, Georgia	$ 41,958,950	$ 42,183,250	$ -	$ 224,300	$ -	$ 224,300
Decatur County Health Department	1,517,234	487,200	1,059,118	-	29,084	29,084
Total component units	$ 43,476,184	$ 42,670,450	$ 1,059,118	224,300	29,084	253,384
General Revenues:						
Sales taxes				568,021	-	568,021
Other				80,912	-	80,912
Total General Revenues				648,933	-	648,933
Change in Net Position				873,233	29,084	902,317
Net position - beginning				16,571,870	908,323	17,480,193
Net position - ending				$ 17,445,103	$ 937,407	$ 18,382,510

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 Position 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.

FEMA – HMGP Special Revenue Fund – The FEMA – HMGP Special Revenue Fund is used to account for the revenues and expenditures of the FEMA – HMGP grant.

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, 2013: 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 is both restricted and unrestricted net position 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, 2013.

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 position; and the statement of changes in fiduciary net position.

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

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

H. Inventories and Prepaid Items

Primary Government

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

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

I. Budget and Budgetary Accounting

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

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

Approximately thirty days prior to year end, the proposed operating budget is submitted to the County Commissioners. The budget was adopted on July 6, 2012. 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 Position 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 position."

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

- *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 Position – Net position represents the difference between assets and liabilities. Net position - net investment in capital assets, 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 position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is 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, 2013 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 2a-7 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 $124 invested in the State of Georgia Local Government Investment Pool (Georgia Fund 1) as of June 30, 2013. 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, 2013, property taxes were levied on August 12, 2012, and were due and payable at that time. All unpaid taxes levied on August 12, 2012, became delinquent on December 21, 2012, and attached as an enforceable lien on property as of that date.

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

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

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 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	4,090,459	1,772,759	3,393,783	2,469,435
Total capital assets not being depreciated	10,187,139	1,772,759	3,393,783	8,566,115
Capital assets being depreciated:				
Automobiles	2,164,398	234,679	22,722	2,376,355
Buildings	20,594,872	756,988	-	21,351,860
Infrastructure	20,677,064	2,539,365	-	23,216,429
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	2,785,365	-	-	2,785,365
Food service equipment	209,482	-	-	209,482
Fixtures	213,145	-	-	213,145
Heavy equipment	4,022,485	326,314	162,197	4,186,602
Laundry equipment	72,259	-	-	72,259
Machinery	313,864	18,695	-	332,559
Radios	6,255	-	-	6,255
Miscellaneous equipment	28,648	83,917	-	112,565
Office equipment	590,148	-	-	590,148
Total capital assets being depreciated	52,020,422	3,959,958	184,919	55,795,461
Less accumulated depreciation for:				
Automobiles	1,520,995	152,877	22,722	1,651,150
Buildings	7,350,289	431,264	-	7,781,553
Infrastructure	10,983,110	3,441,278	-	14,424,388
Camera/security equipment	47,373	10,892	-	58,265
Computers	102,558	15,895	-	118,453
Capital asset software	52,341	-	-	52,341
Cooler	7,718	882	-	8,600
Fire equipment	2,452,921	48,635	-	2,501,556
Food service equipment	116,894	15,298	-	132,192
Fixtures	171,295	9,910	-	181,205
Heavy equipment	2,434,249	232,781	97,188	2,569,842
Laundry equipment	57,425	6,670	-	64,095
Machinery	260,660	15,814	-	276,474
Radios	5,582	626	-	6,208
Miscellaneous equipment	12,787	4,339	-	17,126
Office equipment	500,863	44,508	-	545,371
Total Accumulated Depreciation	26,077,060	4,431,669	119,910	30,388,819
Governmental activities capital assets, net	$ 36,130,501	$ 1,301,048	$ 3,458,792	$ 33,972,757

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Business-type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,756,529	$ -	$ -	$ 1,756,529
Construction in Progress	1,936,125	488,521	275,571	2,149,075
Total capital assets not being depreciated	3,692,654	488,521	275,571	3,905,604
Capital Assets being depreciated:				
Buildings	2,455,085	-	-	2,455,085
Structures & Improvements	16,114,472	275,571	-	16,390,043
Machinery & Equipment	4,123,254	13,213	-	4,136,467
Automobile Equipment	1,250,176	-	-	1,250,176
Office Furniture & Fixtures	24,298	-	-	24,298
Total capital assets being depreciated:	23,967,285	288,784	-	24,256,069
Less accumulated depreciation for:				
Buildings	1,451,705	25,905	-	1,477,610
Structures & Improvements	4,546,326	624,475	-	5,170,801
Machinery & Equipment	2,650,653	244,217	-	2,894,870
Automobile Equipment	1,024,288	73,009	-	1,097,297
Office Furniture & Fixtures	24,300	-	-	24,300
Total accumulated depreciation	9,697,272	967,606	-	10,664,878
Business-type activities capital assets being depreciated, net	14,270,013	(678,822)	-	13,591,191
Business-type activities capital assets, net	$ 17,962,667	$ (190,301)	$ 275,571	$ 17,496,795

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The "net investment in capital assets" amount as reported on the government-wide statement of net position for the governmental and business-type activities as of June 30, 2013 is as follows:

Net investment in capital assets	Governmental Activities	Business Type Activities
Cost of capital assets	$ 64,361,576	$ 28,161,673
Less accumulated depreciation	(30,388,819)	(10,664,878)
Book value	33,972,757	17,496,795
Less capital related debt	(7,417,226)	(603,331)
Less deferred refunding amounts and bond premiums and discounts	(15,877)	-
Net investment in capital assets	$ 26,539,654	$ 16,893,464

Depreciation expense was charged to the governmental functions as follows:

General government	$ 150,335
Public Safety	468,583
Public Works	873,791
Health & Welfare	21,598
Housing & Development	69,859
Recreation	98,294
Internal Service Funds	4,133
Total governmental depreciation recognized in functions	1,686,593
Impairment loss on equipment (extraordinary item)	2,745,076
Total governemntal depreciation	$ 4,431,669

NOTE 5 – IMPAIRMENT LOSS

Included in the current year Governmental Activities and current year Housing and Development - infrastructure depreciation additions is an impairment loss of $2,745,076 for the Telecommunications (Wimax) project. This asset is considered worthless as of June 30, 2013.

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NOTE 6 – 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 purpose of this note was to help fund capital improvements and other general obligations of the County. This note was paid off as of June 30, 2013.

Decatur County, Georgia entered into a tax anticipation line of credit note with First Port City Bank on March 20, 2013 in the original amount of $4,000,000 with an interest rate of 1.98% to be due on December 31, 2013. The purpose of this note was to help fund capital improvements and other general obligations of the County. The balance of this note as of June 30, 2013 was $1,021,000.

	Payable at 7/1/2012	Additions	Reductions	Payable at 6/30/2013
Governmental Activities:				
Notes Payable:				
First Port City Bank Tax Anticipation Note	$ 1,219,000	$ 901,000	$ 2,120,000	$ -
First Port City Bank Tax Anticipation Note #2	-	1,021,000	-	1,021,000
Total	$ 1,219,000	$ 1,922,000	$ 2,120,000	$ 1,021,000

NOTE 7 – 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.

USDA Note Payable #2

On May 20, 2013, Decatur County entered into a debt agreement with USDA Rural Development for the purpose of purchasing six patrol vehicles for the Sheriff Department. The County borrowed $165,000 at an interest rate of 3.50% which will be repaid in five yearly payments of $36,546. 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 $25,000 to help fund the purchase of the vehicles, but 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 $85,252.

Bonds will bear interest as set forth below:

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

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Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2013 are as follows:

	Beginning of Year	Increases	Decreases	End of Year	Due within One Year
Governmental activities:					
Revenue Bonds Payable	$ 4,420,000	$ -	$ 1,425,000	$ 2,995,000	$ 1,470,000
Add deferred amounts					
Unamortized premium	127,878	-	42,626	85,252	-
Total bonds payable	4,547,878	-	1,467,626	3,080,252	1,470,000
Capital Lease Obligations	453,524	1,755,304	525,370	1,683,458	455,502
GEFA Note Payable	2,544,993	-	125,133	2,419,860	128,816
USDA Note Payable	100,901	-	32,245	68,656	33,615
USDA Note Payable #2	-	165,000	-	165,000	30,771
Sub-total-Governmental activities	7,647,296	1,920,304	2,150,374	7,417,226	2,118,704
Business-type activities:					
Water and Sewer Fund					
Revenue Bonds Payable	175,000	-	20,000	155,000	20,000
Sub-totals-Water & Sewer Fund	175,000	-	20,000	155,000	20,000
Landfill Fund					
Accrued closure/postclosure cost-Old Landfill	842,550	-	14,412	828,138	-
Accrued closure/postclosure cost-New Landfill	3,043,063	-	236,599	2,806,464	-
Capital Leases	643,980	-	195,649	448,331	189,568
Sub-total-Landfill Fund	4,529,593	-	446,660	4,082,933	189,568
Sub-total-Business-type activities	4,704,593	-	466,660	4,237,933	209,568
Total all long-term debt	$ 12,351,889	$ 1,920,304	$ 2,617,034	$ 11,655,159	$ 2,328,272

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities	Landfill Fund	EMS Fund
Machinery and equipment	$ 2,528,570	$ 2,688,291	$ 94,995
Less: Accumulated depreciation	(1,354,195)	(1,639,310)	(94,995)
Total	$ 1,174,375	$ 1,048,981	$ -

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Debt service requirements on long-term debt at June 30, 2013 are as follows:

	Governmental Activities Capital Leases		
Year Ending June 30	Principal	Interest	Totals
2014	$ 455,502	$ 27,656	$ 483,158
2015	408,304	19,863	428,167
2016	365,878	12,202	378,080
2017	362,549	5,384	367,933
2018	91,225	381	91,606
Totals	$ 1,683,458	$ 65,486	$ 1,748,944

	Business-Type Activities Captial Leases		
Year Ending June 30	Principal	Interest	Totals
2014	$ 189,568	$ 11,209	$ 200,777
2015	171,465	4,360	175,825
2016	87,298	812	88,110
Totals	$ 448,331	$ 16,381	$ 464,712

	Governmental Activities - USDA Note Payable		
Year Ending June 30	Principal	Interest	Totals
2014	$ 33,615	$ 2,918	$ 36,533
2015	35,041	1,492	36,533
Totals	$ 68,656	$ 4,410	$ 73,066

	Governmental Activities - USDA Note Payable #2		
Year Ending June 30	Principal	Interest	Totals
2014	$ 30,771	$ 5,775	$ 36,546
2015	31,848	4,698	36,546
2016	32,963	3,583	36,546
2017	34,116	2,430	36,546
2018	35,302	1,244	36,546
Totals	$ 165,000	$ 17,730	$ 182,730

Year Ending June 30	Water and Sewer - Revenue Bonds		
	Principal	Interest	Totals
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	$ 155,000	$ 28,750	$ 183,750

Year Ending June 30	General Obligation SPLOST Bonds		
	Principal	Interest	Totals
2014	$ 1,470,000	$ 119,800	$ 1,589,800
2015	1,525,000	61,000	1,586,000
	2,995,000	$ 180,800	$ 3,175,800
Add: Unamortized Premium	85,252		
	$ 3,080,252		

Ending June 30	Governmental Funds - GEFA Note - Silver Lake Project		
	Principal	Interest	Totals
2014	$ 128,816	$ 70,838	$ 199,654
2015	132,733	66,920	199,653
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	$ 2,419,860	$ 591,733	$ 3,011,593

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
BancorpSouth Equipment Finance. Lease-Purchase Contract on CAT 140 M Motor Grader SN: B9D01811	$ 135,000	$ 2,453	3.45%	60	$ 26,982	$ 26,522
Regions Equipment Finance Corp. Lease-Purchase Contract on Fire Truck VIN # 1FVACXBS3BHZ44640	149,846	2,061	4.19%	84	37,104	35,902
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	12,157	12,073
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	6,839	6,790
Deere Credit, Inc. Lease-Purchase Contract on 670G Motor Grader SN: 1DW670GXEA0630094	71,000	1,274	2.95%	60	30,581	29,661
BancorpSouth Equipment Finance. Lease-Purchase Contract on JD 670 G Motor Grader SN: DW670GX626441	159,683	2,901	3.45%	60	43,520	42,535
BancorpSouth Equipment Finance. Lease-Purchase Contract on 2011 Caterpillar 140M Motor Grader SN: B9D02884	67,900	1,234	3.45%	60	38,245	36,540
Deere Credit, Inc. Lease-Purchase Contract on JD 670 G Motor Grader SN: 1DW670GXKA0631798	42,420	756	2.75%	60	19,651	19,056
Deere Credit, Inc. Lease-Purchase Contract on JD 670 G Motor Grader SN: 1DW670GX645607	187,647	3,307	2.30%	60	155,447	148,515
Caterpillar Financial Service Corp. Lease-Purchase Contract on 12M2 Caterpillar Motor Grader SN: F9M00267	67,657	1,193	2.24%	60	70,387	66,590
Suntrust Equipment Finance and Leasing Corp. Lease-Purchase Contract on 911 Communications System Narrowbanding Upgrade	1,500,000	26,161	1.80%		1,308,031	1,259,274
Total Governmental Activities	$ 2,677,680				$ 1,748,944	$ 1,683,458

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	$ 24,732	$ 24,069
BancorpSouth Equipment Finance. Lease-Purchase Contract on Caterpillar 336DL SN: W3K00695	45,989	849	3.45%	59	15,274	14,865
BancorpSouth Equipment Finance. Lease-Purchase Contract on Komatsu D65EX-15 Dozier SN: 69535	130,350	2,368	3.45%	60	37,788	34,722
Suntrust Equipment Finance. Lease-Purchase Contract on BOMAG BC 1172RB-2 Landfill Compactor	620,975	11,014	2.47%	60	341,429	330,413
Caterpillar Financial Service Corp. Lease-Purchase Contract on Used D6NLGP Track Type Tractor SN: DJY01321	65,533	1,895	2.64%	36	45,490	44,262
Sub-Total Landfill	$ 937,312				$ 464,713	$ 448,331
Totals Business-Type Activities	$ 937,312				$ 464,713	$ 448,331
Total All Activities	$ 3,614,992				$ 2,213,657	$ 2,131,789

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NOTE 8 - 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)	$ 2,613,445	$ -
General Fund (from SPLOST # 5)	1,410,370	-
General Fund (from Insurance ISF)	103,907	-
General Fund (due to ISF)	-	4,881,636
General Fund (from Mandatory Drug Fund)	11,875	
General Fund Operating Activities	9,020,038	-
FEMA - HMGP SRF Operating Activities	-	31,698
SPLOST Capital Projects Fund # 5 (due to General Fund)	-	1,410,370
SPLOST Capital Projects Fund # 4 (due to General Fund)	-	2,613,445
	13,159,635	8,937,149
Proprietary Funds		
Natural Gas Fund (due to ISF)	-	127,680
Natural Gas Fund Operating Activities	593,274	-
Airport Fund (due to ISF)	-	236,816
Airport Fund Operating Activities	-	566,785
Ambulance Service Fund (due to ISF)	-	353,237
Ambulance Service Fund Operating Activities	-	1,301,713
Landfill Fund (due to ISF)	-	341,400
Landfill Fund Operating Activities	969,190	-
Water & Sewer Fund (due to ISF)	-	149,928
Water & Sewer Fund Operating Activities	-	1,666,399
	1,562,464	4,743,958
Non-Major Funds		
E-911 SRF (due to ISF)	-	51,792
E-911 SRF Operating Activities	-	72,121
Confiscated Assets SRF Operating Activities	5,046	-
Decatur County Prison SRF Operating Activities	15,685	-
Victim's Assistance SRF Operating Activities	4,895	-
Mandatory Drug Fund (due to General Fund)	-	11,875
Mandatory Drug Fund SRF Operating Activities	2,574	-
CDBG EIP Operating Activities		48
Recovery Act SRF Operating Activities	-	5,581
Telecommunications Reserve SRF Operating Activities	20,099	-
Internal Service Fund (Governmental Funds)	5,000,892	-
Internal Service Fund (Proprietary Funds)	1,209,061	-
Internal Service Fund Operating Activities	-	6,564,075
Insurance Internal Service Fund (due to General Fund)	-	103,907
Insurance Internal Service Fund Operating Activities	-	489,845
	6,258,252	7,299,244
Totals	$ 20,980,351	$ 20,980,351

Entity-wide Inter-fund Balance Reconciliation

Governmental Funds	
Receivables	$ 13,207,934
Payables	(9,078,566)
Netting of Internal Service Fund	(1,018,164)
Internal Balances - Governmental Activities	$ 3,111,204
Business-Type Funds	
Business-Type Funds Receivables	$ 2,262,464
Business-Type Funds Payables	(5,443,959)
Netting of Internal Service Fund	70,291
Internal Balances - Business-Type Activites	$ (3,111,204)

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, 2013 consisted of the following:

	Transfer In			
Transfer Out	**General Fund**	**Non-major**	**Landfill**	**Total**
General Fund	$ -	$ 67,464	$ -	$ 67,464
SPLOST CPF Ref, # 5	-	-	35,964	35,964
Landfill Fund	700,000	-	-	700,000
Non-major Governmental	37,000	-	-	37,000
Totals	$ 737,000	$ 67,464	$ 35,964	$ 840,428

Governmental Activities:	
Total Transfer Out	$ (140,428)
Less: Transfer to	
Major Governmental	737,000
Non-major Governmental	67,464
Net Transfers Out	$ 664,036

Business-Type Activities:		
Total Transfers In	$	35,964
Less: Transfer to Governmental-Type Activities		(700,000)
Net Transfers In	$	(664,036)

Transfers from the SPLOST 5 Capital Projects Fund in the amount of $35,964 represent capital expenditures and debt service payments moved to the Landfill fund.

Transfers of $ 37,000 were made to the general fund from the mandatory drug fund for qualified expenditures budgeted and paid by the general fund.

Transfers of $ 67,464 were made from the general fund to the E-911 fund to cover the cost of administrative cost associated with that fund. These cost cannot be paid with E-911 restricted resources.

Transfers of $ 700,000 were made from the Landfill Fund to the general fund for general operating purposes.

NOTE 9 - 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:	2013	2012
Net Pension Cost as of Beginning of Prior Year	$ (315,759)	$ (306,728)
Annual Pension Cost for Prior Year	676,385	690,498
Actual Contributions to Plan for Prior Year	682,893	699,529
Increase in Net Pension Obligation	(6,508)	(9,031)
Net Pension Obligation as of Beginning of the Year	$ (322,267)	$ (315,759)
Derivation of Annual Pension Cost:		
Annual Required Contribution	$ 687,389	$ 674,672
Interest on Net Pension Obligation	(24,976)	(24,471)
Amortization of Net Pension Obligation	26,724	26,184
Annual Pension Cost	$ 689,137	$ 676,385

Summary of Valuation Results and Basis of Valuation:

(A) Actuarial Valuation Date:	January 1, 2013
(B) Expected Employee Contributions:	$ 0
(C) Required County Contribution:	$ 687,389
(D) County's Annual Pension Cost:	$ 689,137

(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, 2013	$ 689,137	N/A	N/A	$ (322,267)
January 1, 2012	676,385	682,893	101%	(322,267)
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)

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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)
12/31/12	$ 6,397,370 *	$ 8,569,223	74.7%	$ 2,171,853	$ 7,562,164	28.7%
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%

*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 10 - 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, 2013. No provisions have been made in the financial statements for the year ended June 30, 2013 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 11 - 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, 2013, the revenue fund had a balance of $34,271.

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 12 - CONDENSED FINANCIAL STATEMENTS - ENTERPRISE FUNDS

Condensed Statement of Net Position

Description	Water & Sewer Fund	Natural Gas	Airport	Ambulance Service Fund	Landfill Fund	Totals
Assets						
Current	$ 22,604	$ 625,455	$ 74,204	$ 337,918	$ 2,223,185	$ 3,283,366
Capital	3,722,730	69,859	3,525,476	169,701	10,101,827	17,589,593
Total Assets	$ 3,745,334	$ 695,314	$ 3,599,680	$ 507,619	$ 12,325,012	$ 20,872,959
Liabilities						
Current	$ 1,896,234	$ 165,181	$ 881,341	$ 1,707,182	$ 1,379,731	$ 6,029,669
Long-term	155,000	-	-	-	3,893,365	4,048,365
Total Liabilities	$ 2,051,234	$ 165,181	$ 881,341	$ 1,707,182	$ 5,273,096	$ 10,078,034
Net Position						
Net Investment in Capital Assets	$ 3,474,932	$ 69,859	$ 3,525,476	$ 169,701	$ 9,653,496	$ 16,893,464
Restricted for Debt Service	92,798	-	-	-	-	92,798
Unrestricted	(1,873,630)	460,274	(807,137)	(1,369,264)	(2,601,580)	(6,191,337)
Total Net Position	$ 1,694,100	$ 530,133	$ 2,718,339	$ (1,199,563)	$ 7,051,916	$ 10,794,925

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Condensed Statement of Revenues, Expenses and Change in Net Position

Description	Water & Sewer Fund	Natural Gas	Airport	Ambulance Service	Landfill Fund	Totals
Operating revenues						
Charges for Services	$ 192,041	$ 429,806	$ 598,088	$ 858,915	$ 2,693,352	$ 4,772,202
Rental Income	-	-	10,110	-	-	10,110
Total operating revenues	192,041	429,806	608,198	858,915	2,693,352	4,782,312
Operating expenses (Excluding Depreciation)	405,616	340,493	815,061	1,227,926	982,563	3,771,659
Depreciation	79,451	4,863	202,398	91,930	588,965	967,607
Total operating expenses	485,067	345,356	1,017,459	1,319,856	1,571,528	4,739,266
Operating income (loss)	(293,026)	84,450	(409,261)	(460,941)	1,121,824	43,046
Nonoperating revenues (expenses)						
Intergovernmental	-	-	57,831	-	-	57,831
Interest income	194	-	-	-	-	194
Gain (Loss) on disposal of assets	-	-	-	-	3,217	3,217
Interest expense	(8,750)	-	-	-	(17,194)	(25,944)
Total Nonoperating income (expenses)	(8,556)	-	57,831	-	(13,977)	35,298
Transfers in (out)	-	-	-	-	(664,036)	(664,036)
Changes in net position	(301,582)	84,450	(351,430)	(460,941)	443,811	(585,692)
Beginning net position as restated	1,995,682	445,683	3,069,769	(738,622)	6,608,105	11,380,617
Ending net position	$ 1,694,100	$ 530,133	$ 2,718,339	$ (1,199,563)	$ 7,051,916	$ 10,794,925

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	$ 412,027	$ -	$ 33,111	$ 13,213	$ 914,217	$ 1,372,568
Net cash provided (used) by noncapital financing activities	-	-	-	-	(700,000)	(700,000)
Net cash provided (used) by capital and related financing activities	(410,761)	-	(46,009)	(13,213)	(214,217)	(684,200)
Net cash provided (used) by investing activities	194	-	-	-	-	194
Net increase (decrease) in cash & cash equivalents	1,460	-	(12,898)	-	-	(11,438)
Beginning cash & cash equivalents	91,338	-	30,857	200	-	122,395
Ending cash & cash equivalents	$ 92,798	$ -	$ 17,959	$ 200	$ -	$ 110,957

NOTE 13 - 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 $828,138 as of June 30, 2013. 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. During the 2013 fiscal year, the Department of Natural Resources restated the estimated total cost of closure/post closure cost down to be $ 2,806,464. The full cost has already been recognized and is currently being reported as a long-term liability. The total landfill capacity used as of June 30, 2013 is 7.5%. The County estimates the remaining useful life of the landfill as 37.86 years. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 14 - 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 15 – RESTRICTED NET POSITION

Net position restricted for other projects and other purposes is as follows:

	Other Projects	Other Purposes	Total
CDBG EIP	$ 144,863	$ -	$ 144,863
Crime Victims Assistance	4,901	-	4,901
Law Library	22,092	-	22,092
Confiscated Assets	14,263	-	14,263
Mandatory Drug Fund	54,886	-	54,886
Telecommunications Reserve Fund	20,099	-	20,099
Decatur County Prison Account	6,879	-	6,879
Retirement	-	1,101,659	1,101,659
Water & Sewer Debt	-	92,798	92,798
	$ 267,983	$ 1,194,457	$ 1,462,440

NOTE 16 - SPECIAL ITEM – SALES OF CAPITAL ASSETS

During the fiscal year ended June 30, 2013 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 12H Caterpillar Grader and several pieces of fully depreciated equipment that resulted in gains of $146,000 and $25,018, respectively in governmental activities. Additionally, dispositions of several pieces of fully depreciated equipment in business activities resulted in a gain of $3,217.

NOTE 17 - DEFICIT FUND BALANCE

For the fiscal year ended June 30, 2013 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 SPLOST 5 Capital Projects Fund had a deficit fund balance of $332,695. It is the County's intent to alleviate this deficit with future revenues. The Ambulance Service fund had a deficit balance of $1,199,563. 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 $53,749. 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 Administrative Cost Internal Service Fund had a deficit balance of $272,193 and the Health Insurance Internal Service Fund had a deficit balance of $573,643. It is the County's intent to alleviate these deficits with future revenues and/or transfers from other funds.

NOTE 18 – PRIOR PERIOD ADJUSTMENT

During the fiscal year the Department of Natural Resources restated the total cost of closure/postclosure cost. For this reason it was necessary to restate (decrease) the liability and post a prior period adjustment of $ 255,028.

NOTE 19 - DISCRETELY PRESENTED COMPONENT UNIT – HOSPITAL AUTHORITY OF BAINBRIDGE, DEATUR COUNTY

A. Bank Deposits

At March 31, 2012 and 2013, the Authority had bank balances as follows:

	2013	2012
Insured (FDIC) or collateralized with securities held by the Authority.	$ 534,588	$ 781,500
Collateralized by securities held by the pledging financial institution's trust department in the Authority's name.	1,888,437	2,750,694
Total (bank balance)	$ 2,423,025	$ 3,532,194
Carrying value (book value)	$ 2,232,915	$ 3,417,108

B. Capital Assets

A summary of property and equipment at March 31, 2013 follows:

	2012 Balance	Increase	Decrease	2013 Balance
Land	$ 735,367	$ -	$ -	$ 735,367
Buildings & Improvements	21,390,775	3,275	-	21,394,050
Equipment	19,885,117	1,908,560	251,165	21,542,512
Construction in progress	433,818	1,780,611	-	2,214,429
Total property and equipment	42,445,077	3,692,446	251,165	45,886,358
Less accumulated depreciation:				
Buildings and improvements	12,836,366	677,248	-	13,513,614
Equipment	16,505,918	796,215	169,833	17,132,300
Total accumulated depreciation	29,342,284	1,473,463	169,833	30,645,914
Net property and equipment	$ 13,102,793	$ 2,218,983	$ 81,332	$ 15,240,444

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

	2012 Balance	Additions	Deletions	2013 Balance	Amount Due in One Year
Notes payable	$ 2,757,381	$ 3,319,271	$ 33,277	$ 6,043,375	$ 235,373
Capital leases	50,659	168,701	132,635	86,725	47,225
Total long term debt	$ 2,808,040	$ 3,487,972	$ 165,912	$ 6,130,100	$ 282,598

A summary of long-term debt, including capital lease obligations, at March 31, 2013 and 2012, follows:

	2013	2012
2.85% note payable to First Port City Bank in interest only monthly installments with the balance due April 15, 2013. In June 2013, the Authority refinanced this note payable with a new note payable that carries a 3.25% fixed interest rate and a maturity date of May 2016.Collateralized by land, buildings, and equipment.	$ 5,720,902	$ 2,401,631
3.412% note payable to Annette D. Harrell in monthly installments of $3,742 until June 2021, unsecured.	322,473	355,750
Capital lease obligation at imputed interest rates from 3.68% to 4.80%. Collateralized by leased equipment	86,725	50,659
Total long-term debt	6,130,100	2,808,040
Less current installments of long-term debt	282,598	83,936
Long-term debt, excluding current installments	$ 5,847,502	$ 2,724,104

Scheduled principal and interest repayments on long-term debt and payments on capital lease obligations are as follows:

	Long-term Debt		Capital Lease Obligations	
Year Ended March 31	Principal	Interest	Principal	Interest
2014	$ 235,373	$ 188,544	$ 47,225	$ 2,580
2015	311,266	238,989	39,500	728
2016	321,593	264,528	-	-
2017	4,997,756	42,624	-	-
2018	39,466	5,436	-	-
2019-Thereafter	137,921	7,978		
Totals	$ 6,043,375	$ 748,099	$ 86,725	$ 3,308

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 funds a matching contribution of one-half of the 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, 2013 and 2012, the Authority contributed $330,000 and $320,000 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, 2013 and 2012. 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 maximum facility cost of $4,100,000. Under this self-insurance program, the Authority incurred expenses of $4,300,000 and $3,100,000, including administrative fees, during the years ended March 31, 2013 and 2012, 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.

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

	2013	2012
Assets	$ 1,076,091	$ 1,031,380
Liabilities	43,026	-
Net Position	1,033,065	1,031,380
Liabilities and net position	$ 1,076,091	$ 1,031,380
Revenues	$ 41,952	$ 58,347
Investing gains (losses)	180,954	46,253
Expenses	(27,447)	(15,258)
Contributions to Memorial Hospital and	(76,755)	(10,500)
Excess of revenues over expenses	118,704	78,842
Changes in net unrealized gains and losses on marketable securities	(117,019)	(1,967)
Net position, beginning of year	1,031,380	954,505
Net position, end of year	$ 1,033,065	$ 1,031,380

NOTE 20 - DISCRETELY PRESENTED COMPONENT UNIT – DECATUR COUNTY HEALTH DEPARTMENT

A. Bank Deposits

Total deposits and investments as of June 30, 2013, are summarized as follows:

As reported in the Statement of Net Position:	
Cash and cash equivalents	$ 893,375
Cash deposited with financial institutions	$ 893,375

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, 2013, the Health Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

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B. Capital Assets

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

	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013
Vehicles	$ 95,624	$ -	$ -	$ 95,624
Building	19,492	-	-	19,492
Equipment	77,767	-	-	77,767
Accumulated Depreciation	(171,847)	(5,228)	-	(177,075)
Governmental Activities Capital Assets, Net	$ 21,036	$ (5,228)	$ -	$ 15,808

C. Compensated Absences

Non-current liabilities on the Statement of Net Position are made up of compensated absences payable at June 30, 2013. All of the compensated absences are related to governmental activities. Changes in compensated absences for FY2013 are as follows:

Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
$ 74,203	$ -	$ 6,581	$ 67,622

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, 2013 were $69,826 based on qualifying salaries of $484,321. Ten year historical information may be obtained from the Employee's Retirement System of Georgia.

NOTE 21 – RELATED PARTY TRANSACTIONS

During the year ended June 30, 2013, the County administered a Federal Program (the FEMA-HMGP grant) which resulted in the purchase by FEMA of several properties located in a historic flood plain. In connection with this program, the County disbursed funds for one property in the amount of $407,051 to Beverly J. King, who is the County Clerk and a full time employee of the County. This transaction was approved by FEMA, as were all other purchases relating to this grant.

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REQUIRED SUPPLEMENTARY INFORMATION

Decatur County, Georgia
Budgetary Comparison Schedule - General Fund (GAAP)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (GAAP Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
REVENUES				
Property taxes	$ 8,130,100	$ 8,130,100	$ 8,518,645	$ 388,545
Sales and miscellaneous taxes	3,601,193	3,601,193	3,243,076	(358,117)
Fees and fines	1,195,200	1,195,200	1,081,784	(113,416)
Licenses and permits	105,500	105,500	85,731	(19,769)
Intergovernmental	335,175	335,175	238,065	(97,110)
Charges for services	2,015,947	2,015,947	1,971,404	(44,543)
Investment earnings	40,000	40,000	41,148	1,148
Miscellaneous	165,300	165,300	226,319	61,019
Contributions and donations	300	300	3,347	3,047
TOTAL REVENUES	15,588,715	15,588,715	15,409,519	(179,196)
EXPENDITURES				
General Government				
Legislative	155,451	155,451	149,169	6,282
Elections	238,565	238,565	230,376	8,189
Tax Commissioner	452,666	452,666	449,363	3,303
Tax Assessor	435,193	435,193	429,219	5,974
General Govt. Buildings and Grounds	173,920	173,920	136,620	37,300
General Government	1,455,795	1,455,795	1,394,747	61,048
Judicial				
Superior Court	73,414	77,000	77,000	-
Clerk of Courts	567,020	563,434	542,968	20,466
District Attorney	44,750	44,750	44,750	-
State Court	165,467	165,467	164,754	713
Magistrate Court	249,725	251,034	251,034	-
Probate Court	170,643	169,334	167,298	2,036
Juvenile Court	156,569	156,569	146,744	9,825
Public Defender	199,300	199,300	172,077	27,223
Judicial	1,626,888	1,626,888	1,566,625	60,263
Public Safety				
Sheriff	3,086,067	3,145,067	3,145,008	59.00
Jail	2,239,059	2,282,284	2,282,282	2
Corrections	3,715,191	3,944,991	3,944,987	4
Fire	1,090,803	1,090,803	1,083,860	6,943
Public Safety / Communications	-	1,461,366	1,461,366	-
Coroner/Medical Examiner	33,524	33,524	29,938	3,586
Emergency Management	18,001	18,001	10,203	7,798
Public Safety	10,182,645	11,976,036	11,957,644	18,392
Public Works				
Highways and Streets	2,542,730	2,206,422	2,138,902	67,520
Maintenance & Shop	128,418	132,701	132,701	-
Public Works	2,671,148	2,339,123	2,271,603	67,520

Decatur County, Georgia
Budgetary Comparison Schedule - General Fund (GAAP)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (GAAP Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
Health and Welfare				
Health	165,610	167,397	167,397	-
Welfare	10,000	10,000	5,000	5,000
Health and Welfare	175,610	177,397	172,397	5,000
Parks and Recreation				
Recreation	12,000	12,000	12,000	-
Parks	118,020	120,018	120,018	-
Parks and Recreation	130,020	132,018	132,018	-
Housing and Development				
Conservation	136,176	155,876	155,800	76
Planning and Zoning	146,672	136,672	133,540	3,132
Industrial Park	85,868	76,168	75,095	1,073
Housing and Development	368,716	368,716	364,435	4,281
Debt Service				
TAN Note Interest	16,000	25,000	24,991	9
Debt Service	16,000	25,000	24,991	9
Total Expenditures - All Departments	16,626,822	18,100,973	17,884,460	216,513
Net Excess before Operating Transfers	(1,038,107)	(2,512,258)	(2,474,941)	37,317
OTHER FINANCING SOURCES (USES)				
Proceeds from loan proceeds	1,087,198	1,887,198	1,920,304	33,106
Transfers In (Out)	(99,091)	455,060	543,783	88,723
Total Other Financing Sources (uses)	988,107	2,342,258	2,464,087	121,829
SPECIAL ITEMS				
Proceeds from sale of capital assets	50,000	170,000	171,018	1,018
Total Special Items	50,000	170,000	171,018	1,018
Net Excess (deficit)	$ -	$ -	$ 160,164	$ 160,164

DECATUR COUNTY, GEORGIA
Debt Service Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Taxes	$ 2,345,023	$ 2,345,023	$ 2,121,321	$ (223,702)
Total Revenues	2,345,023	2,345,023	2,121,321	(223,702)
Expenditures				
Debt Service				
Principal	1,845,603	1,870,603	1,862,938	7,665
Interest	289,419	264,419	258,383	6,036
Total Expenditures	2,135,022	2,135,022	2,121,321	13,701
Excess (deficiency) of revenues over expenditures	210,001	210,001	-	210,001
Other Financing Sources				
Transfers (Out)	(210,001)	(210,001)	-	(210,001)
Total Other Financing Sources	(210,001)	(210,001)	-	(210,001)
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
FEMA - HMGP - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental	$ 2,000,000	$2,700,000	$ 2,657,888	$ (42,112)
Total Revenues	2,000,000	2,700,000	2,657,888	(42,112)
Expenditures				
Health	2,000,000	2,800,000	2,749,495	50,505
Total Expenditures	2,000,000	2,800,000	2,749,495	50,505
Excess (Deficiency) of Revenues Over Expenditures	-	(100,000)	(91,607)	(8,393)
Other Financing Sources				
Operating Transfers In (General Fund)	-	100,000	125,753	25,753
Unreserved, reported in non-major:		100,000	125,753	25,753
Excess (Deficiency) of Revenues and Expenditures and Other Uses	-	-	34,146	(34,146)
Fund Balance - beginning of period	(34,146)	(34,146)	(34,146)	-
Fund Balance - end of period	$ (34,146)	$ (34,146)	$ -	$ (34,146)

Decatur County, Georgia
Budgetary Comparison
For the Fiscal Year Ended June 30, 2013

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 July 6, 2012. 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, 2012	$ 6,397,370 *	$ 8,569,223	$ 2,171,853	74.7%	$ 7,562,164	28.7%
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%

* 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, 2013

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, 2013
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, 2013

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, 2013

	Law Library	Confiscated Assets	E-911	CDBG EIP	Victim's Assistance	Recovery Act - JAG	Mandatory Drug Fund	Telecommunications Reserve Fund	Decatur County Prison Account	Totals
Assets										
Cash in banks	$ 22,092	$ 9,217	$ -	$ 144,911	$ 6	$ -	$ 64,187	$ -	$ -	$ 240,413
Due from other funds	-	5,046	-	-	4,895	-	2,574	20,099	15,685	48,299
Notes/capital leases receivable	-	-	-	392,204	-	-	-	-	-	392,204
Intergovernmental receivable	-	-	105,661	-	-	-	-	-	-	105,661
Total Assets	$ 22,092	$ 14,263	$ 105,661	$ 537,115	$ 4,901	$ -	$ 66,761	$ 20,099	$ 15,685	$ 786,577
Liabilities & Fund Balances										
Liabilities										
Accounts payable	$ -	$ -	$ 11,841	$ -	$ -	$ -	$ -	$ -	$ 8,806	$ 20,647
Due to other funds	-	-	123,913	48	-	5,581	11,875	-	-	141,417
Deferred revenue	-	-	-	392,204	-	-	-	-	-	392,204
Accrued salaries	-	-	23,656	-	-	-	-	-	-	23,656
Total Liabilities	-	-	159,410	392,252	-	5,581	11,875	-	8,806	577,924
Fund Balances										
Restricted for:										
Legal Reference Materials	22,092	-	-	-	-	-	-	-	-	22,092
Public Safety	-	14,263	-	-	4,901	-	54,886	-	6,879	80,929
Economic Development	-	-	-	144,863	-	-	-	20,099	-	164,962
Unassigned	-	-	(53,749)	-	-	(5,581)	-	-	-	(59,330)
Total Fund Balances	22,092	14,263	(53,749)	144,863	4,901	(5,581)	54,886	20,099	6,879	208,653
Total Liabilities & Fund Balance	$ 22,092	$ 14,263	$ 105,661	$ 537,115	$ 4,901	$ -	$ 66,761	$ 20,099	$ 15,685	$ 786,577

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, 2013

	Law Library	Confiscated Assets	E-911	CDBG EIP	Victim's Assistance	Recovery Act - JAG	Mandatory Drug Fund	Telecommunications Reserve Fund	Decatur County Prison Account	Totals
Revenues										
Charges for services	$ 4,556	$ -	$ 430,367	$ -	$ -	$ -	$ -	$ -	$ 186,654	$ 621,577
Fines and forfeitures	-	6,000	-	-	-	-	44,129	-	-	50,129
Intergovernmental	-	-	405,517	93,419	87,574	9,807	-	-	-	596,317
Contributions and donations	-	-	-	-	-	-	-	-	-	-
Interest	-	74	-	6,478	-	-	269	86	-	6,907
Total Revenues	4,556	6,074	835,884	99,897	87,574	9,807	44,398	86	186,654	1,274,930
Expenditures										
General Government	32,174	-	-	-	-	-	-	-	-	32,174
Public Safety	-	18,896	884,299	-	87,574	9,807	-	-	194,071	1,194,647
Housing and Development	-	-	-	-	-	-	-	10,355	-	10,355
Public Safety-Capital Outlay	-	-	15,562	-	-	-	-	-	-	15,562
Total Expenditures	32,174	18,896	899,861	-	87,574	9,807	-	10,355	194,071	1,252,738
Excess (deficiency) of revenues over expenditures	(27,618)	(12,822)	(63,977)	99,897	-	-	44,398	(10,269)	(7,417)	22,192
Other Financing Sources										
Transfers in	-	-	67,464	-	-	-	-	-	-	67,464
Transfers (out)	-	-	-	-	-	-	(37,000)	-	-	(37,000)
Total Other Financing Sources	-	-	67,464	-	-	-	(37,000)	-	-	30,464
Net Change in Fund Balance	(27,618)	(12,822)	3,487	99,897	-	-	7,398	(10,269)	(7,417)	52,656
Fund Balance-beginning of period	49,710	27,085	(57,236)	44,966	4,901	(5,581)	47,488	30,368	14,296	155,997
Fund Balance-end of period	$ 22,092	$ 14,263	$ (53,749)	$ 144,863	$ 4,901	$ (5,581)	$ 54,886	$ 20,099	$ 6,879	$ 208,653

DECATUR COUNTY, GEORGIA
Law Library - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fees From Courts	$ 16,000	$ 16,000	$ 4,556	$ (11,444)
Total Revenues	16,000	16,000	4,556	(11,444)
Expenditures				
Books & Publications	16,000	32,200	32,174	26
Total Expenditures	16,000	32,200	32,174	26
Excess (Deficiency) of Revenues Over Expenditures	-	(16,200)	(27,618)	(11,418)
Fund Balance-beginning of period	49,710	49,710	49,710	-
Fund Balance-end of period	$ 49,710	$ 33,510	$ 22,092	$ (11,418)

DECATUR COUNTY, GEORGIA
Confiscated Assets - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Confiscated Assets	$ 15,000	$ 15,000	$ 6,000	$ (9,000)
Interest	275	275	74	(201)
Total Revenues	15,275	15,275	6,074	(9,201)
Expenditures				
Public Safety	15,275	18,900	18,896	4
Total Public Safety Expenditures	15,275	18,900	18,896	4
Excess (Deficiency) of Revenues Over Expenditures	-	(3,625)	(12,822)	(9,197)
Fund Balance-beginning of period	27,085	27,085	27,085	-
Fund Balance-end of period	$ 27,085	$ 23,460	$ 14,263	$ (9,197)

DECATUR COUNTY, GEORGIA
E-911 - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Local Government Units (Grady County)	$ 450,000	$ 450,000	$ 405,517	$ (44,483)
E-911 Charges	445,000	445,000	430,367	(14,633)
Total Revenues	895,000	895,000	835,884	(59,116)
Expenditures				
Operating Expenditures	1,028,860	1,013,298	884,299	128,999
Capital Outlay	-	15,562	15,562	-
Principal	50,643	50,643	-	50,643
Interest	1,807	1,807	-	1,807
Total Expenditures	1,081,310	1,081,310	899,861	181,449
Excess (Deficiency) of Revenues Over Expenditures	(186,310)	(186,310)	(63,977)	122,333
Other Financing Sources				
Operating Transfers In	186,310	186,310	67,464	(118,846)
Total Other Financing Sources	186,310	186,310	67,464	(118,846)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	3,487	3,487
Fund Balance - beginning of period	(57,236)	(57,236)	(57,236)	-
Fund Balance - end of period	$ (57,236)	$ (57,236)	$ (53,749)	$ 3,487

DECATUR COUNTY, GEORGIA
CDBG EIP - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
EIP Principal Payment	$ 48,500	$ 93,419	$ 93,419	$ -
Interest income	3,500	6,478	6,478	-
Total Revenues	52,000	99,897	99,897	-
Expenditures				
Operating Expenditures	52,000	-	-	-
Total Expenditures	52,000	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	99,897	99,897	-
Fund Balance - beginning of period	44,966	44,966	44,966	-
Fund Balance - end of period	$ 44,966	$ 144,863	$ 144,863	$ -

DECATUR COUNTY, GEORGIA
Victim's Assistance - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ 52,000	$ 88,000	$ 87,574	$ (426)
Total Revenues	52,000	88,000	87,574	(426)
Expenditures				
Victim services payments	52,000	88,000	87,574	426
Total Expenditures	52,000	88,000	87,574	426
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance - beginning of period	4,901	4,901	4,901	-
Fund Balance - end of period	$ 4,901	$ 4,901	$ 4,901	$ -

DECATUR COUNTY, GEORGIA
Recovery Act - JAG - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ 8,000	$ 9,807	$ 9,807	$ -
Total Revenues	8,000	9,807	9,807	-
Expenditures				
Public Safety	8,000	9,807	9,807	-
Total Expenditures	8,000	9,807	9,807	-
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, 2013

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fines and forfeitures	$ 37,000	$ 37,000	$ 44,129	$ 7,129
Interest income	-	-	269	269
Total Revenues	37,000	37,000	44,398	7,398
Expenditures				
Payments to other agencies	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	37,000	37,000	44,398	7,398
Other Financing Sources				
Operating Transfers (Out)	(37,000)	(37,000)	(37,000)	-
Total Other Financing Sources	(37,000)	(37,000)	(37,000)	-
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	7,398	7,398
Fund Balance - beginning of period	47,488	47,488	47,488	-
Fund Balance - end of period	$ 47,488	$ 47,488	$ 54,886	$ 7,398

DECATUR COUNTY, GEORGIA
Telecommunications Reserve Fund - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Contributions & donations	$ 23,000	$ 23,000	$ -	$ (23,000)
Interest Income	180	180	86	(94)
Total Revenues	23,180	23,180	86	(23,094)
Expenditures				
Housing and Development	23,180	23,180	10,355	12,825
Total Expenditures	23,180	23,180	10,355	12,825
Excess (Deficiency) of Revenues Over Expenditures	-	-	(10,269)	(10,269)
Fund Balance - beginning of period	30,368	30,368	30,368	-
Fund Balance - end of period	$ 30,368	$ 30,368	$ 20,099	$ (10,269)

DECATUR COUNTY, GEORGIA
Decatur County Prison Account - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Charges for services	$ 200,000	$ 200,000	$ 186,654	$ (13,346)
Total Revenues	200,000	200,000	186,654	(13,346)
Expenditures				
Public Safety	200,000	200,000	194,071	5,929
Total Expenditures	200,000	200,000	194,071	5,929
Excess (Deficiency) of Revenues Over Expenditures	-	-	(7,417)	(7,417)
Fund Balance - beginning of period	14,296	14,296	14,296	-
Fund Balance - end of period	$ 14,296	$ 14,296	$ 6,879	$ (7,417)

DECATUR COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED June 30, 2013

FIDUCIARY FUNDS

DECATUR COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Fiscal Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
MAGISTRATE'S COURT				
Assets				
Cash	$ 707	$ 459,368	$ 459,175	$ 900
Total Assets	$ 707	$ 459,368	$ 459,175	$ 900
Liabilities				
Due to other funds & agencies	$ 211	$ 146,421	$ 146,421	$ 211
Due to others	496	312,947	312,754	689
Total Liabilities	$ 707	$ 459,368	$ 459,175	$ 900
CLERK OF THE COURTS				
Assets				
Cash	$ 81,282	$ 1,524,124	$ 1,522,745	$ 82,661
Total Assets	$ 81,282	$ 1,524,124	$ 1,522,745	$ 82,661
Liabilities				
Due to other funds and agencies	$ 44,639	$ 1,300,522	$ 1,271,393	$ 73,768
Due to others	36,643	223,602	251,352	8,893
Total Liabilities	$ 81,282	$ 1,524,124	$ 1,522,745	$ 82,661
TAX COMMISSIONER				
Assets				
Cash	$ 394,954	$ 22,105,351	$ 21,841,237	$ 659,068
Receivables	555,349	19,857,462	19,833,095	579,716
Total Assets	$ 950,303	$ 41,962,813	$ 41,674,332	$ 1,238,784
Liabilities				
Due to other funds and agencies	$ 318,398	$ 41,787,900	$ 41,419,026	$ 687,272
Due to others	631,905	618,371	698,764	551,512
Total Liabilities	$ 950,303	$ 42,406,271	$ 42,117,790	$ 1,238,784
PROBATE COURT				
Assets				
Cash	$ 80	$ 94,765	$ 94,639	$ 206
Total Assets	$ 80	$ 94,765	$ 94,639	$ 206
Liabilities				
Due to other funds and agencies	$ 80	$ 94,765	$ 94,639	$ 206
Total Liabilities	$ 80	$ 94,765	$ 94,639	$ 206
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	$ 477,023	$ 24,183,608	$ 23,917,796	$ 742,835
Receivables	555,349	19,857,462	19,833,095	579,716
Total Assets	$ 1,032,372	$ 44,041,070	$ 43,750,891	$ 1,322,551
Liabilities				
Due to other funds and agencies	$ 363,328	$ 43,329,608	$ 42,931,479	$ 761,457
Due to others	669,044	1,154,920	1,262,870	561,094
Total Liabilities	$ 1,032,372	$ 44,484,528	$ 44,194,349	$ 1,322,551

DECATUR COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED June 30, 2013

INTERNAL SERVICE FUNDS

DECATUR COUNTY, GEORGIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2013

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Assets			
Current Assets:			
Cash on hand and in banks	$ -	$ 20,109	$ 20,109
Prepaid insurance	253,253	-	253,253
Due from other funds	6,209,953	-	6,209,953
Total current assets	6,463,206	20,109	6,483,315
Noncurrent assets:			
Property, plant & equipment (net of accumulated depreciation)	73,065	-	73,065
Total noncurrent assets	73,065	-	73,065
Total Assets	6,536,271	20,109	6,556,380
Liabilities			
Current liabilities:			
Accounts payable	232,478	-	232,478
Accrued expenses	11,911	-	11,911
Due to other funds	6,564,075	593,752	7,157,827
Total current liabilities	6,808,464	593,752	7,402,216
Total Liabilities	6,808,464	593,752	7,402,216
Net Position			
Investment in capital assets	73,065	-	73,065
Unrestricted	(345,258)	(573,643)	(918,901)
Total Net Position (deficit)	$ (272,193)	$ (573,643)	$ (845,836)

DECATUR COUNTY, GEORGIA
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2013

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Operating Revenues			
Charges for services	$ 2,388,249	$ 1,996,843	$ 4,385,092
Total Operating Revenue	2,388,249	1,996,843	4,385,092
Operating Expenses			
Personal services	293,074	-	293,074
Services and supplies	1,925,480	1,893,830	3,819,310
Depreciation	4,133	-	4,133
Total Operating Expense	2,222,687	1,893,830	4,116,517
Operating Income (Loss)	165,562	103,013	268,575
Nonoperating Revenues (Expenses)			
Interest earned	-	12	12
Total Nonoperating Revenues (Expenses)	-	12	12
Change in net position	165,562	103,025	268,587
Net position (deficit) - beginning of year	(437,755)	(676,668)	(1,114,423)
Net position (deficit) - end of year	$ (272,193)	$ (573,643)	$ (845,836)

DECATUR COUNTY, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2013

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Cash flows from Operating Activities			
Cash received from customers	$ 2,388,249	$ 1,996,843	$ 4,385,092
Cash payments to suppliers for goods & services	(2,022,718)	(1,993,299)	(4,016,017)
Cash payments to employees for services	(291,541)	-	(291,541)
Net cash provided (used) by operating activities	73,990	3,544	77,534
Cash Flows from Capital & Related Financing Activities			
Acquisition & construction of capital assets	(73,990)	-	(73,990)
Net cash provided (used) from Capital and related financing activities	(73,990)	-	(73,990)
Cash flows from Investing Activities			
Interest income	-	12	12
Net cash provided (Used) from investing activities	-	12	12
Net increase (decrease) in cash & cash equivalents	-	3,556	3,556
Cash & cash equivalents - beginning of year	-	16,553	16,553
Cash & cash equivalents - end of year	$ -	$ 20,109	$ 20,109
Displayed as:			
Cash on hand and in banks	$ -	$ 20,109	$ 20,109
Totals	$ -	$ 20,109	$ 20,109

DECATUR COUNTY, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2013

	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)	$ 165,562	$ 103,013	$ 268,575
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	4,133	-	4,133
Change in Assets & Liabilities:			
(Increase) decrease in prepaid insurance	(189,438)	-	(189,438)
Increase (decrease) in accounts payable	171,867	-	171,867
Increase (decrease) in accrued expenses	1,533	-	1,533
(Increase) decrease in due from other funds	(79,667)	(99,469)	(179,136)
Net cash provided (used) by operating activities	$ 73,990	$ 3,544	$ 77,534

STATE REPORTING REQUIREMENTS

DECATUR COUNTY, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
For the Fiscal Year Ended June 30, 2013

Project	Original Estimated Cost	Expenditure Prior Year	Expenditure Current Year	Expenditure Total	Estimated Percentage of Completion
November 4, 2003					
Solid Waste, Animal Control, Jail Improvements, Livestock Facility Improvements, Recreation Improvements, Fire Station and Equipment	$ 7,250,000				
Solid Waste		$ 5,920,551	$ -	$ 5,920,551	
Animal Control		24,410	-	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	$ 15,489,397	$ -	$ 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:

	Original Estimated Cost	Prior Year	Current Year	Total
City of Bainbridge	$ 10,228,400	$ 7,445,189	$ -	$ 7,445,189
City of Attapulgus	428,400	311,831	-	311,831
City of Climax	260,400	189,542	-	189,542
City of Brinson	196,000	142,667	-	142,667
Hospital Authority	3,360,000	2,445,724	-	2,445,724
Total	$ 14,473,200	$ 10,534,953	$ -	$ 10,534,953

DECATUR COUNTY, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
For the Fiscal Year Ended June 30, 2013

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	$ 841,983	$ 199,655	$ 1,041,638	34.72%
Telecomumunications System	2,500,000	2,892,867	11	2,892,878	115.72%
Landfill	3,000,000	3,958,691	35,964	3,994,655	133.16%
Fire/EMS/911 Center	1,000,000	93,652	-	93,652	9.37%
AG Center (Ext. Service/FSA)	260,750	741,570	23,548	765,118	293.43%
Spec Building	190,000	53,437	-	53,437	28.12%
Jail	250,000	297,960	-	297,960	119.18%
Fire Department Equip. & Facilities	660,000	27,411	-	27,411	4.15%
Public Safety Equipment	750,000	168,389	-	168,389	22.45%
Road & Bridge Improvements	6,200,000	3,779,390	209,029	3,988,419	64.33%
Total	$ 17,810,750	$ 12,855,350	$ 468,207	$ 13,323,557	74.81%

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

	Original Estimated Cost	Prior Year	Current Year	Total
City of Bainbridge	$ 13,467,743	$ 5,049,735	$ 1,905,273	$ 6,955,008
City of Attapulgus	564,075	211,500	79,799	291,299
City of Climax	342,869	128,558	48,505	177,063
City of Brinson	258,073	96,764	36,510	133,274
Hospital Authority	4,424,115	1,658,823	625,877	2,284,700
Total	$ 19,056,875	$ 7,145,380	2,695,964	$ 9,841,344

Reconciliation to SPLOST Capital Project Fund:	
Expenditures per Schedule above	$ 3,164,171
SPLOST debt service expenditures reported in the Debt Service Fund	(533,272)
Proceeds from Grant Programs	789,116
Net Adjustments	255,844
Expenditures and transfers per Statements on page 6	$ 3,420,015

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, 2013

	Per Audited Financials	Per Local Revolving Loan Semi-Annual Report
Assets		
Cash	$ 144,911	$ 144,911
Notes receivable	392,204	392,204
Total Assets	$ 537,115	$ 537,115
Liabilities and equity	$ 537,115	$ 537,115

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2013

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:			$ 151,140
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:			$ 279,227
8	Total Line 3 plus Line 7 (should equal UCOA Revenue Source 34.2500)			$ 430,367
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			$ 405,517
	_____			$
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, 2013

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)		$ 835,884
	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)	$ 15,562
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)	$ 453,042
16b	Employee benefits	46-5-134(f)(3)	$ 129,320
17	Cost of training of employees who work as dispatchers	46-5-134(f)(3)	$ 50
18	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(4)	$ 5,933
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, 2013

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)	$ 2,362
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		$ 13,557
	Postage		$ 245
	Travel		$ 2,211
	Dues and subscriptions		$ 196
	Contractual Services		$ 182,926
	Energy		$ 6,162
	Administrative cost - paid with resources transferred from General Fund		$ 67,464
	Other costs and services		$ 20,831
24	Total Expenditures (total of all amounts reported on Lines 13 through 23 above)		$ 899,861
25	Transfers From Other Funds (identify by fund)		
	General Fund - in an amount equal to administrative cost		$ 67,464
			$
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, 2013

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)		$ 3,487
29	Fund Balance - Beginning of Year		$ (57,236)
30	Fund Balance - End of Year		$ (53,749)

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

X Yes _____ No

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

Certification of Local Government Officials

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

Signature of Chief Elected Official _____ Date January 15, 2014

Print Name of Chief Elected Official Frank Loeffler

Title of Chief Elected Official Commission Chairman

Signature of Chief Financial Officer Michelle B. West Date January 15, 2014

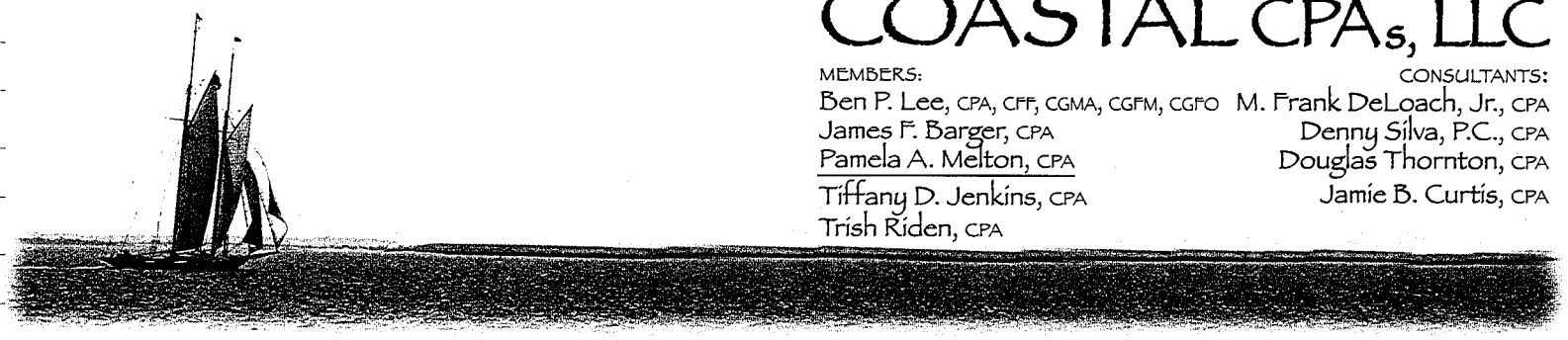
Print Name of Chief Financial Officer Michelle West

GOVERNMENTAL AUDITING STANDARDS REQUIREMENTS

COASTAL CPAs, LLC

MEMBERS:
Ben P. Lee, CPA, CFF, CGMA, CGFM, CGFO
James F. Barger, CPA
Pamela A. Melton, CPA
Tiffany D. Jenkins, CPA
Trish Riden, CPA

CONSULTANTS:
M. Frank DeLoach, Jr., CPA
Denny Silva, P.C., CPA
Douglas Thornton, CPA
Jamie B. Curtis, CPA



INDEPENDENT AUDITORS' 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
Bainbridge, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Decatur County, Georgia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Decatur County, Georgia's basic financial statements and have issued our report thereon dated January 15, 2014. Other auditors audited the financial statements of the Decatur County Health Department and the Hospital Authority of Bainbridge, Decatur County, Georgia as described in our report on Decatur County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been

identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies.

Compliance and Other Matters

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

Decatur County, Georgia's Response to Findings

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.

Purpose of this Report

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

Coastal CPAs, LLC

Coastal CPAs, LLC
January 15, 2014

SINGLE AUDIT SECTION

COASTAL CPAs, LLC

MEMBERS:
Ben P. Lee, CPA, CFF, CGMA, CGFM, CGFO
James F. Barger, CPA
Pamela A. Melton, CPA
Tiffany D. Jenkins, CPA
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Jamie B. Curtis, CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Decatur County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of

compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Coastal CPAs, LLC

Coastal CPAs, LLC
St. Simons Island, Georgia
January 15, 2014

Decatur County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

Federal Grants Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
Pass-through Programs:			
U.S. Department of Justice			
Pass-through Office of the Governor			
Recovery Act - Edward Byrne Memorial Justice Grant (JAG)	16.803	B82-8-283	9,807
Sub-total CFDA Number 16.803			9,807
Pass-through Crimal Justice Coordinating Council			
Victims of Crime Act (VOCA) Victim Assistance Formula Grant	16.575	C09-8-178	15,282
Sub-total CFDA Number 16.575			15,282
Pass-through Office on Violence Against Women			
VAWA - Violence Against Women	16.588	W10-8-037	19,505
Sub-total CFDA Number 16.588			19,505
U.S. Department of Transportation:			
Federal Aviation Administration			
Pass-through Georgia Department of Transportation			
Airport Improvement Program	20.106	AP011-9016-20	$ 35,991
Sub-total CFDA Number 20.106			35,991
U. S. Department of Homeland Security:			
Federal Emergency Management Agency Pass-through Georgia Emergency Management Agency			
Public Assistance	97.039	1833-0033	2,749,495
Sub-total CFDA Number 97.039			2,749,495
Sub-total pass-through awards			2,830,080
Total Expenditures of Federal Awards			$ 2,830,080

DECATUR COUNTY, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013

NOTE A – SIGNIFICANT ACCOUNTING POLICY

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

NOTE B - RELATED PARTY TRANSACTIONS

During the year ended June 30, 2013, the County administered a Federal Program (the FEMA-HMGP grant, CFDA Number 97.039) which resulted in the purchase by FEMA of several properties located in a historic flood plain. In connection with this program, the County disbursed grant funds for one property in the amount of $407,051 to Beverly J. King, who is the County Clerk and a full time employee of the County. This transaction was approved by FEMA, as were all other purchases relating to this grant.

DECATUR COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

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

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

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

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

4. The following program was tested a major program:

	CFDA Number	Amount
Type- A- High Risk Programs		
U.S. Department of Homeland Security		
Federal Emergency Management Agency		
Public Assistance	97.039	$2,749,495

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

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

B. FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

13-01 Improper Segregation of Duties
(Repeat violation No. 12-01 from June 30, 2012)

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

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

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

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

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

C. NON-COMPLIANCE WITH LAWS AND REGULATIONS

No non-compliance with laws and regulations was noted.

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

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

DECATUR COUNTY, GEORGIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

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, 2012.