DECATUR COUNTY, GEORGIA

REPORT ON EXAMINATION

OF

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2014

DECATUR COUNTY, GEORGIA
For The Fiscal Year Ended June 30, 2014
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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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the aggregate discretely presented component units, which represents 39.07% and 63.53%, 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, the Hospital Authority of Bainbridge, Decatur County, Georgia, and the Development Authority of Bainbridge and 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, 2014, and the

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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 61 through 66 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 85-86) 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 67 through 84 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 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
December 11, 2014

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, 2014. 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 $45,527,459 for its governmental and business-type activities, an increase of $2,983,127 from the previous fiscal year.

- Total combined revenues for governmental and business-type activities were $28,726,670.
- Overall expenses were $25,743,543, of which governmental activities were $20,942,545 and business-type activities were $4,800,998.
- As of June 30, 2014, governmental activities' expenses exceeded program revenue, resulting in the use of $16,071,408 in general revenues (primarily taxes).
- In the County's business-type activities, revenues were $5,660,330 and expenses were $4,800,998, for an operating gain of $859,332 for 2014. Operating gains for the County's business-type activities are also supplemented by general revenues.
- The General Fund resources available for appropriation were $281,224 more than budgeted and expenditures were $269,286 less than budgeted.
- The combined governmental funds' balance as of June 30, 2014 was $6,647,750, of which the General Fund comprised $6,570,767 the Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Funds comprised $(7,929), and other governmental funds comprised $84,912.
- The General Fund reported an increase of $1,067,630 in unassigned fund balance to $4,217,135 from the prior fiscal year. This compares with an unassigned fund balance of $3,149,505 and a decrease of $144,021 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 81. 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 increased $2,983,127 from a year ago—from $42,544,332 to $45,527,459. 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:	2013	2014	2013	2014	2013	2014	2013-2014
Current assets	$ 7,408	$ 7,581	$ (2,091)	$ (1,598)	$ 5,317	$ 5,983	12.5%
Restricted assets- non current	-	-	93	-	93	-	-100.0%
Pension net excess	322	321	-	-	322	321	-
Capital assets- net	33,973	32,987	17,497	18,454	51,470	51,441	-0.1%
Total assets	**41,703**	**40,889**	**15,499**	**16,856**	**57,202**	**57,745**	**0.9%**
Liabilities:							
Long-term debt outstanding	7,417	5,397	4,238	4,652	11,655	10,049	-13.8%
Other liabilities	2,607	1,771	396	398	3,003	2,169	-27.8%
Total liabilities	**10,024**	**7,168**	**4,634**	**5,050**	**14,658**	**12,218**	**-16.6%**
Net position:							
Net investment in capital assets	26,540	27,574	16,893	-	43,433	27,574	-36.5%
Restricted	1,369	1,246	93	-	1,462	1,246	-14.8%
Unrestricted (deficit)	3,770	4,901	(6,121)	11,806	(2,351)	16,707	-810.6%
Total net position	**$ 31,679**	**$ 33,721**	**$ 10,865**	**$ 11,806**	**$ 42,544**	**$ 45,527**	**7.0%**

The County's total net position (governmental and business-type activities) was $45,527,459 as of June 30, 2014. The County's unrestricted net position was a negative $743,747 at June 30, 2014; however, $45,025,305 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 increased by 9 percent to $11,806,186 compared to $10,865,215 in 2013.

CHANGES IN NET POSITION

The County's total change in net position was a positive $2,983,127 from the prior fiscal year as a result of a positive $2,042,156 in its governmental activities and a positive $940,971 in its business-type activities.

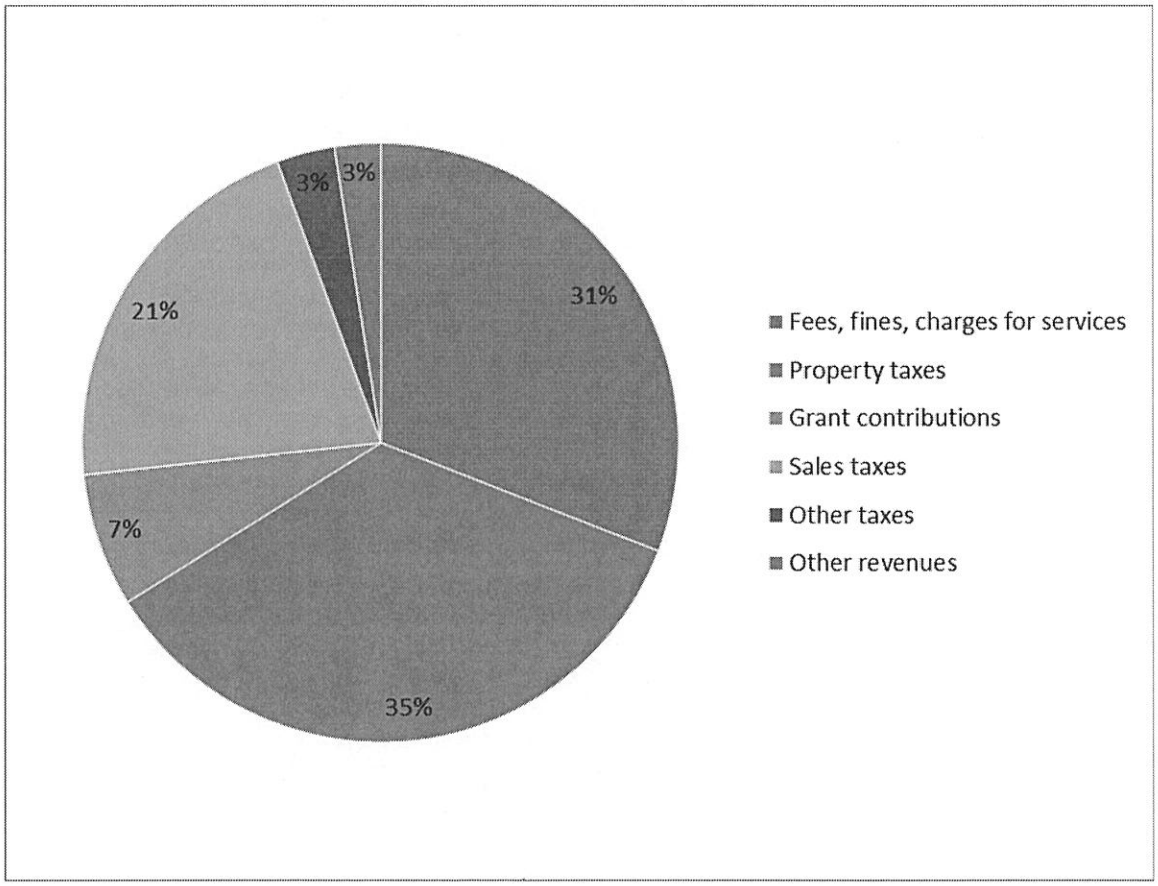
Table 2
Changes in Net Position
(000's omitted)

	Governmental Activities		Business Type Activities		Total Primary Government		Total % Change
	2013	2014	2013	2014	2013	2014	2013-2014
Revenues							
Program revenues:							
Charges for services	$ 3,762	$ 3,736	$ 4,782	$ 5,342	$ 8,544	$ 9,078	6.3%
Operating grants	3,397	664	-	-	3,397	664	-80.5%
Capital grants	794	471	58	319	852	790	-7.3%
General revenues:							
Property taxes	8,566	10,347	-	-	8,566	10,347	20.8%
Other taxes	7,494	7,115	-	-	7,494	7,115	-5.1%
Grants not restricted to specific programs	27	1	-	-	27	1	-96.3%
Investment earnings	42	49	-	-	42	49	16.7%
Miscellaneous	512	551	-	39	512	590	15.2%
Total general / program revenues	**24,594**	**22,934**	**4,840**	**5,700**	**29,434**	**28,634**	**-2.7%**
Program Expense							
General government	1,520	1,509	-	-	1,520	1,509	-0.7%
Judicial	1,577	1,510	-	-	1,577	1,510	-4.2%
Public safety	11,729	12,834	1,297	1,342	13,026	14,176	8.8%
Public works	5,836	3,838	3,408	3,459	9,244	7,297	-21.1%
Health and welfare	2,943	142	-	-	2,943	142	-95.2%
Culture and recreation	226	239	-	-	226	239	5.8%
Housing and development	416	638	-	-	416	638	53.4%
Interest and fiscal charges	297	232	-	-	297	232	-21.9%
Total program expenses	**24,544**	**20,942**	**4,705**	**4,801**	**29,249**	**25,743**	**-12.0%**
Changes in net assets	50	1,992	135	899	185	2,891	-1462.7%
Special item	171	50	3	42	174	92	-47.1%
Extraordinary item	(2,745)	-	-	-	(2,745)	-	-
Transfers	664	-	(664)	-	-	-	-
Changes in net position	**$ (1,860)**	**$ 2,042**	**$ (526)**	**$ 941**	**$ (2,386)**	**$ 2,983**	**225.0%**

Depreciation expenses of $2,619,144 were allocated to the governmental and business type activities. $1,674,586 was allocated to the function of governmental activities and $944,558 was allocated to the function of business type activities.

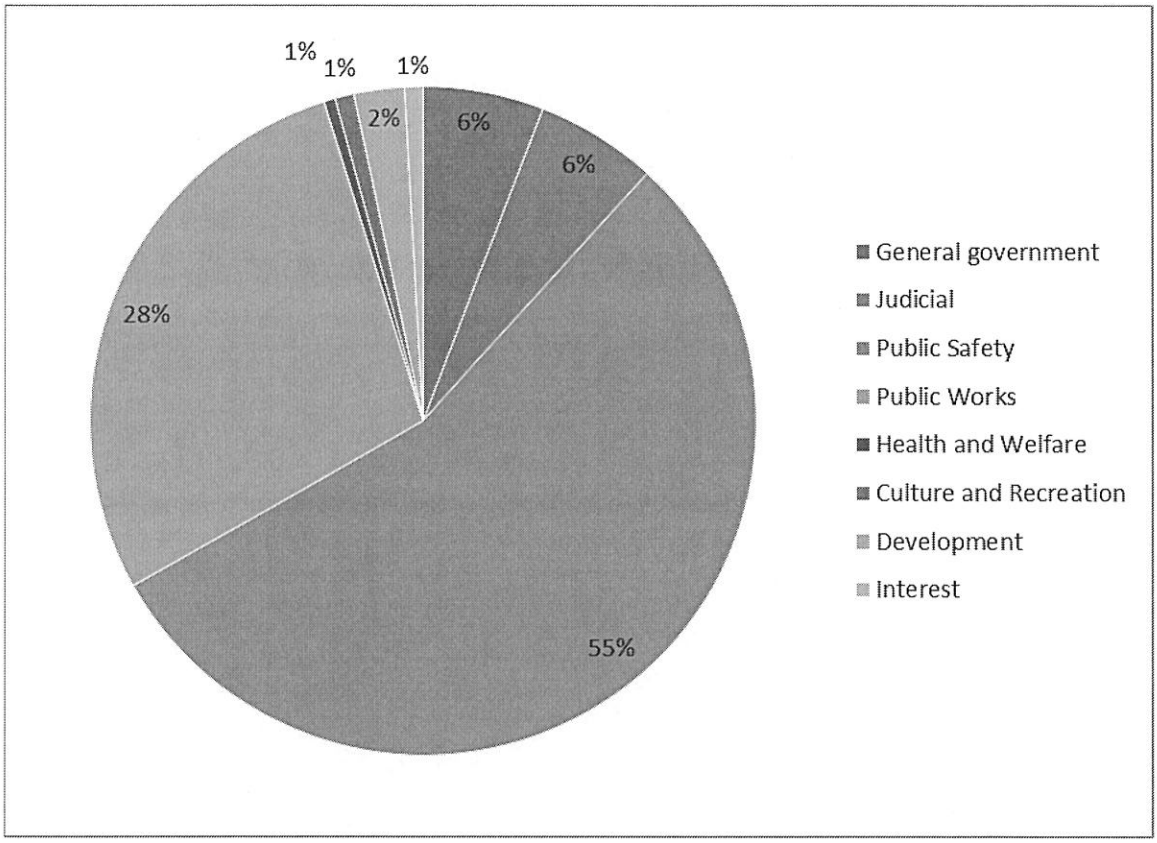
As can be see from the chart following, approximately 35% of the County's combined total revenue is provided by property taxes, 31% by fees, fines, and charges for services, 21% by sales taxes, 3% by other taxes, and the remaining 10% by a combination of grants, contributions, investment income and other 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 2014



The County's major expenses, at 55% 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 2014



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 2014 fiscal year with a balance of $6,647,750 in its governmental funds. Of this, there is a non-spendable portion of $1,232,426 in the General Fund. Restricted fund balance is made up of $15,798 restricted for legal reference materials, $111,839 restricted for public safety, $16,605 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 $4,217,135 in the General Fund, $(7,929) 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 $6,570,767, of which $4,217,135 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 25% of that total. Therefore, the unassigned fund balance could fund 25% of one year's normal budgeted appropriations.

The fund balance in the General Fund decreased $1,739,534 during FY 2014, primarily due to a transfer of $2,687,007 from the General Fund to the SPLOST IV to write-off an interfund balance that cannot be repaid. Additional information about the General Fund can be found on pages 61-62.

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, 2014.

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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 2014 consisted of the following:

Description	SPLOST IV	SPLOST V
Solid Waste Activities	$ -	$ -
Silver Lake Property	-	193,480
Telecommunications System	-	-
Jail Improvements	-	-
Livestock Facility Improvements	-	-
Recreation Improvements	-	-
Fire Station and Equipment	-	-
Fire/EMS/911 Center	-	-
Public Safety Equipment	-	-
Ag Center	-	-
Spec Building	-	3,091
Road and Bridge Improvements	-	25,782
Total	$ -	$ 222,353

Additional information on the SPLOST Capital Projects funds can be found on pages 4-7 and pages 85-86.

Other Governmental Funds

Combined assets were $780,515; liabilities $695,603; restricted fund balance was $144,242; unassigned fund balance was a negative $59,330 for the year ended June 30, 2014. 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
- Creek Indian Project
- 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 $568,141. This compares to last year's operating income of Water and Sewer, Natural Gas, Airport, Landfill, and Ambulance Service Funds of $43,046. 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 80 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 $1,582,870.

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 $873,911.

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 $281,224 more than budgeted and actual expenditures were $269,286 less than budgeted and other financing sources/uses and special items reflects a positive $323,401 variance resulting in the increase in unassigned financial resources of $873,911.

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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, 2014, amounts to $51,440,794 net of accumulated depreciation of $43,448,131. 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 $986,024 for governmental activities and increased $957,266 for business-type activities. Depreciation expense for the period was $2,619,144, of which $767,898 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, 2014, Decatur County had $10,048,563 in outstanding long-term debt principal, of which $2,264,737 is due within one year. $575,155 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 $132,733. In 2009, the County entered into a debt agreement with USDA Rural Development for the purpose of purchasing patrol vehicles for the Sheriff Department. This debt was paid in full during the 2014 fiscal year. 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 $31,848 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 $1,525,000. 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 $810,540 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 $2,838,411 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 2014 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, 2014

	Governmental Activities	Business-Type Activities	Total	Total Component Units
ASSETS				
Cash on hand and in banks	$ 2,319,433	$ 197,490	$ 2,516,923	$ 917,751
Pooled cash	125	-	125	-
Receivable (net, where applicable, of allowances for uncollectible):				
Taxes	377,625	-	377,625	-
Accounts	71,722	966,730	1,038,452	11,500,047
Other	523,122	-	523,122	2,903,847
Internal balances	2,793,754	(2,793,754)	-	-
Due from other governments	1,198,924	31,635	1,230,559	281,091
Inventory, at cost	15,775	-	15,775	655,081
Prepaid expenses	246,541	-	246,541	502,498
Deferred charges	34,687	-	34,687	-
Restricted assets	-	-	-	1,811,322
Pension net excess	320,520	-	320,520	-
Land and construction in progress	7,956,341	5,319,030	13,275,371	900,038
Other capital assets, net of depreciation	25,030,392	13,135,031	38,165,423	17,557,045
Total Assets	40,888,961	16,856,162	57,745,123	37,028,720
LIABILITIES				
Accounts payable and accrued expenses	332,869	333,933	666,802	3,509,019
Accrued liabilities	608,122	64,495	672,617	4,072,821
Deferred revenue	829,682	-	829,682	-
Long-term liabilities:				
Portion due and payable within one year:				
Capital leases, notes and bonds payable	2,099,552	165,185	2,264,737	424,436
Portion due and payable after one year:				
Capital leases, notes and bonds payable	3,297,463	837,412	4,134,875	8,422,554
Notes Payable				
Accrued closure/postclosure costs	-	3,648,951	3,648,951	-
Compensated absences payable	-	-	-	66,173
Total Liabilities	7,167,688	5,049,976	12,217,664	16,495,003
NET POSITION				
Net investment in capital assets	27,573,841	17,451,464	45,025,305	9,610,093
Restricted for:				
Other projects	144,242	-	144,242	-
Other purposes	1,101,659	-	1,101,659	469,502
Unrestricted	4,901,531	(5,645,278)	(743,747)	10,454,122
Total net position	$ 33,721,273	$ 11,806,186	$ 45,527,459	$ 20,533,717

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

DECATUR COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2014

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	$ 1,509,464	$ 86,578	$ 2,684	$ -	$ (1,420,202)		$ (1,420,202)	
Judicial	1,509,793	1,050,932	89,434	-	(369,427)		(369,427)	
Public Safety	12,833,401	2,591,500	486,687	-	(9,755,214)		(9,755,214)	
Public Works	3,838,035	-	-	470,896	(3,367,139)		(3,367,139)	
Health and Welfare	142,403	-	-	-	(142,403)		(142,403)	
Culture and Recreation	238,697	-	-	-	(238,697)		(238,697)	
Housing and Development	638,393	7,443	84,983	-	(545,967)		(545,967)	
Interest on long-term debt	232,359	-	-	-	(232,359)		(232,359)	
Total governmental activities	20,942,545	3,736,453	663,788	470,896	(16,071,408)		(16,071,408)	
Business-type:								
Water and Sewer	499,211	214,323	-	-	-	$ (284,888)	(284,888)	
Natural Gas	469,744	636,482	-	-	-	166,738	166,738	
Airport	897,680	560,755	-	319,025	-	(17,900)	(17,900)	
Ambulance Service	1,341,808	1,117,365	-	-	-	(224,443)	(224,443)	
Landfill	1,592,555	2,812,380	-	-	-	1,219,825	1,219,825	
Total business-type activities	4,800,998	5,341,305	-	319,025	-	859,332	859,332	
Total primary government	$ 25,743,543	$ 9,077,758	$ 663,788	$ 789,921				
Component units:								
Hospital Authority of Bainbridge and Decatur County	$ 45,439,430	$ 44,915,931	$ -	$ -				$ (523,499)
Development Auth. Bdge & Dec. Co.	412,419	34,800	62,225	300,000				(15,394)
Decatur County Health Department	1,563,308	468,675	1,098,051	-				3,418
Total component units	$ 47,415,157	$ 45,419,406	$ 1,160,276	$ 300,000				(535,475)

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

DECATUR COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	-	-	Capital Grants and Contributions	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Changes in Net position:								
Net (expenses) revenue (Page 2)					(16,071,408)	859,332	(15,212,076)	(535,475)
General revenues:								
Taxes								
Property taxes, levied for general purposes					10,346,943	-	10,346,943	203,604
Sales taxes					6,191,333	-	6,191,333	490,597
Intangible taxes					83,482	-	83,482	-
Insurance premium tax					659,522	-	659,522	-
Other general taxes					180,394	-	180,394	-
Grants not restricted to specific programs					1,226	-	1,226	-
Investment earnings					49,154	472	49,626	-
Miscellaneous					551,283	39,165	590,448	69,507
Special item - sale of capital assets					50,227	42,002	92,229	103,155
Total general revenues, extraordinary items, and transfers					18,113,564	81,639	18,195,203	866,863
Change in net position					2,042,156	940,971	2,983,127	331,388
Net position - beginning					31,679,117	10,865,215	42,544,332	20,202,329
Net position - ending					$ 33,721,273	$ 11,806,186	$ 45,527,459	$ 20,533,717

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

DECATUR COUNTY, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Debt Service Fund	SPLOST 4	SPLOST 5	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 1,089,366	$ -	$ -	$ 1,056,632	$ 169,715	$ 2,315,713
Taxes receivable, net	377,625	-	-	-	-	377,625
Due from other funds	11,156,779	-	-	-	12,468	11,169,247
Receivable from other governments	473,712	-	-	648,104	77,110	1,198,926
Other receivables	73,622	-	-	-	521,222	594,844
Inventories	15,775	-	-	-	-	15,775
Total assets	$ 13,186,879	$ -	$ -	$ 1,704,736	$ 780,515	$ 15,672,130
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 32,728	$ -	$ -	$ 187,554	$ 21,817	$ 242,099
Due to other funds	5,836,320	-	-	1,216,651	128,908	7,181,879
Deferred revenue	-	-	-	308,460	521,222	829,682
Other accrued expenses	407,823	-	-	-	23,656	431,479
Other payables	164,731	-	-	-	-	164,731
Total liabilities	6,441,602	-	-	1,712,665	695,603	8,849,870
Deferred Inflows of Resources						
Unavailable Revenues-Property Taxes	174,510	-	-	-	-	174,510
Total Deferred Inflows of Resource	174,510	-	-	-	-	174,510
Fund balances:						
Nonspendable:						
Long-Term Interfund Receivable	1,216,651	-	-	-	-	1,216,651
Inventories	15,775	-	-	-	-	15,775
Restricted for:						
Legal Reference Materials	-	-	-	-	15,798	15,798
Public Safety	-	-	-	-	111,839	111,839
Economic Development	-	-	-	-	16,605	16,605
Other Purposes	35,321	-	-	-	-	35,321
Committed to:						
Retirement	1,085,885	-	-	-	-	1,085,885
Unassigned	4,217,135	-	-	(7,929)	(59,330)	4,149,876
Total fund balances (deficit)	6,570,767	-	-	(7,929)	84,912	6,647,750
Total liabilities, Deferred Outflows of Resources and fund balances	$ 13,186,879	$ -	$ -	$ 1,704,736	$ 780,515	$ 15,672,130

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, 2014

Total fund balance, governmental funds	$	6,647,750
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.		32,991,357
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.		(1,050,543)
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.		174,510
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.		320,520
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.		(5,362,321)
Net Position of Governmental Activities in the Statement of Net Position	$	33,721,273

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, 2014

	General Fund	Debt Service Fund	SPLOST 4	SPLOST 5	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 10,384,615	$ -	$ -	$ -	$ -	$ 10,384,615
Sales and miscellaneous taxes	3,120,804	1,783,815	-	2,250,941	-	7,155,560
Fees and fines	992,209	-	-	-	79,050	1,071,259
Licenses and permits	155,700	-	-	-	-	155,700
Intergovernmental	193,288	-	-	470,896	541,771	1,205,955
Charges for services	1,967,325	-	-	-	607,213	2,574,538
Investment earnings	43,786	-	-	5,060	7,753	56,599
Miscellaneous	295,179	-	-	-	-	295,179
Contributions and donations	8,881	-	-	-	-	8,881
Total Revenues	17,161,787	1,783,815	-	2,726,897	1,235,787	22,908,286
EXPENDITURES						
Current:						
General Government	1,351,478	-	-	-	13,080	1,364,558
Judicial	1,493,138	-	-	-	-	1,493,138
Public Safety	9,773,506	-	-	-	1,142,227	10,915,733
Public Works	1,926,588	-	-	-	-	1,926,588
Health and Welfare	120,805	-	-	-	-	120,805
Culture and Recreation	131,056	-	-	-	6,684	137,740
Housing and Development	310,235	-	-	-	214,000	524,235
Intergovernmental	-	-	-	1,902,372	-	1,902,372
Capital Outlay						
Judicial	1,720	-	-	-	-	1,720
Public Safety	660,056	-	-	-	-	660,056
Public Works	109,486	-	-	496,668	-	606,154
Culture and Recreation	-	-	-	3,091	-	3,091
Housing and Development	8,770	-	-	-	-	8,770
Debt Service:						
Principal	680,356	1,598,646	-	-	-	2,279,002
Interest and other charges	65,990	185,169	-	-	-	251,159
Total Expenditures	16,633,184	1,783,815	-	2,402,131	1,375,991	22,195,121
Excess (deficiency) of revenues over expenditures	528,603	-	-	324,766	(140,204)	713,165
OTHER FINANCING SOURCES (USES)						
Proceeds from long-term debt, net	258,000	-	-	-	-	258,000
Proceeds from capital leases	53,544	-	-	-	-	53,544
Transfers in	57,099	-	2,613,445	-	73,562	2,744,106
Transfers out	(2,687,007)	-	-	-	(57,099)	(2,744,106)
Total other financing sources (uses)	(2,318,364)	-	2,613,445	-	16,463	311,544
SPECIAL ITEM						
Proceeds from sale of assets	50,227	-	-	-	-	50,227
Net change in fund balances	(1,739,534)	-	2,613,445	324,766	(123,741)	1,074,936
Fund Balances (deficit) - beginning	8,310,301	-	(2,613,445)	(332,695)	208,653	5,572,814
Fund balances (deficit) - ending	$ 6,570,767	$ -	$ -	$ (7,929)	$ 84,912	$ 6,647,750

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, 2014

Net change in fund balances - total governmental funds:	$	1,074,936
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 depreciation of $1,674,586 exceeded capital outlays $688,562 in the current period.		(986,024)
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.		26,190
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.		1,977,585
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		(1,747)
Unamortized premium		42,626
Deferred charges		(34,687)
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and information technology, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		(56,723)
Change in net position of governmental activities	$	2,042,156

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2014

	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	$ 178,092	$ -	$ 19,198	$ 200	$ -	$ 197,490	$ 3,846
Intergovernmental receivable	-	-	31,635	-	-	31,635	-
Accounts receivable	20,447	33,014	11,660	463,716	437,893	966,730	-
Prepaid insurance	-	-	-	-	-	-	246,541
Due from other funds	-	804,473	-	-	2,460,821	3,265,294	7,466,651
Total current assets	198,539	837,487	62,493	463,916	2,898,714	4,461,149	7,717,038
Noncurrent assets:							
Property, plant & equipment (net of accumulated depreciation)	4,010,138	64,996	3,614,807	137,920	10,626,200	18,454,061	69,366
Total noncurrent assets	4,010,138	64,996	3,614,807	137,920	10,626,200	18,454,061	69,366
Total Assets	4,208,677	902,483	3,677,300	601,836	13,524,914	22,915,210	7,786,404
Liabilities							
Current liabilities:							
Accounts payable	59,244	19,052	43,490	17,318	194,823	333,927	90,781
Accrued expenses	5,748	1,160	4,937	35,732	6,614	54,191	11,912
Due to other funds	2,722,727	149,500	888,308	1,968,564	392,617	6,121,716	8,597,597
Accrued interest-G.E.F.A.	10,305	-	-	-	-	10,305	-
Capital leases	-	-	-	-	165,185	165,185	-
Total current liabilities	2,798,024	169,712	936,735	2,021,614	759,239	6,685,324	8,700,290
Current liabilities payable from restricted assets:							
Noncurrent liabilities:							
Accrued closure/postclosure costs	-	-	-	-	3,648,951	3,648,951	-
Note payable-G.E.F.A.	-	-	-	-	500,804	500,804	-
Capital leases	-	-	-	-	336,609	336,609	-
Total noncurrent liabilities	-	-	-	-	4,486,364	4,486,364	-
Total Liabilities	2,798,024	169,712	936,735	2,021,614	5,245,603	11,171,688	8,700,290
Net Position							
Net investment in capital assets	4,010,138	64,996	3,614,807	137,920	10,124,406	17,952,267	69,366
Unrestricted	(2,599,485)	667,775	(874,242)	(1,557,698)	(1,845,095)	(6,208,745)	(983,252)
Total Net Position	$ 1,410,653	$ 732,771	$ 2,740,565	$ (1,419,778)	$ 8,279,311	11,743,522	$ (913,886)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						62,664	
Net position of business-type activities						$ 11,806,186	

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, 2014

	Business-Type Activities - Enterprise Funds						
	Water and Sewer	Natural Gas	Airport	Ambulance Service	Landfill	Totals	Internal Service Funds
Operating Revenues							
Charges for services	$ 214,323	$ 636,482	$ 555,370	$ 1,117,365	$ 2,812,380	$ 5,335,920	$ 3,751,432
Rental income	-	-	5,385	-	-	5,385	-
Total Operating Revenue	214,323	636,482	560,755	1,117,365	2,812,380	5,341,305	3,751,432
Operating Expenses							
Personal services	155,184	23,067	106,379	973,364	239,120	1,497,114	298,416
Services and supplies	226,024	419,838	526,172	233,841	666,764	2,072,639	3,517,374
Allocated administration cost	30,930	21,827	56,991	83,472	51,284	244,504	-
Depreciation	78,132	4,863	207,177	46,903	607,483	944,558	3,700
Closure post - closure cost	-	-	-	-	14,349	14,349	-
Total Operating Expense	490,270	469,595	896,719	1,337,580	1,579,000	4,773,164	3,819,490
Operating Income (Loss)	(275,947)	166,887	(335,964)	(220,215)	1,233,380	568,141	(68,058)
Nonoperating Revenues (Expenses)							
Intergovernmental	-	-	319,025	-	-	319,025	-
Private donations	-	-	39,165	-	-	39,165	-
Interest earned	472	-	-	-	-	472	8
Interest expense	(7,972)	-	-	-	(12,236)	(20,208)	-
Total Nonoperating Revenues (Expenses)	(7,500)	-	358,190	-	(12,236)	338,454	8
Net Income before Special Item	(283,447)	166,887	22,226	(220,215)	1,221,144	906,595	(68,050)
Special Item - Gain (Loss) on disposal of assets	-	35,751	-	-	6,251	42,002	-
Change in net position	(283,447)	202,638	22,226	(220,215)	1,227,395	948,597	(68,050)
Net position-beginning of year	1,694,100	530,133	2,718,339	(1,199,563)	7,051,916		(845,836)
Net position - end of year	$ 1,410,653	$ 732,771	$ 2,740,565	$ (1,419,778)	$ 8,279,311		$ (913,886)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(7,626)	
Change in net position - business-type activities						$ 940,971	

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, 2014

	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	$ 216,481	$ 635,649	$ 567,455	$ 991,367	$ 2,928,482	$ 5,339,434	$ 3,751,432
Cash payments to suppliers for goods & services	644,835	(648,333)	(527,767)	(2,881)	(2,105,790)	(2,639,936)	(3,469,287)
Cash payments to employees for services	(155,184)	(23,067)	(106,379)	(973,364)	(239,120)	(1,497,114)	(298,416)
Net cash provided (used) by operating activities	706,132	(35,751)	(66,691)	15,122	583,572	1,202,384	(16,271)
Cash Flows from Capital & Related Financing Activities							
Acquisition & construction of capital assets	(458,338)	-	(296,508)	(15,122)	(1,131,854)	(1,901,822)	-
Principal paid on revenue bonds & loans	(155,000)	-	-	-	-	(155,000)	-
Interest paid on revenue bonds & loans	(7,972)	-	-	-	-	(7,972)	-
Contributed capital	-	-	364,438	-	-	364,438	-
Proceeds from Capital Leases and Gefa NP	-	-	-	-	809,708	809,708	-
Principal payments - capital leases	-	-	-	-	(255,441)	(255,441)	-
Proceeds from sales of capital assets	-	35,751	-	-	6,251	42,002	-
Interest paid on capital leases	-	-	-	-	(12,236)	(12,236)	-
Net cash provided (used) from Capital and related financing activities	(621,310)	35,751	67,930	(15,122)	(583,572)	(1,116,323)	-
Cash flows from Investing Activities							
Interest income	472	-	-	-	-	472	8
Net cash provided (Used) from investing activities	472	-	-	-	-	472	8
Net increase (decrease) in cash & cash equivalents	85,294	-	1,239	-	-	86,533	(16,263)
Cash & cash equivalents - beginning of year	92,798	-	17,959	200	-	110,957	20,109
Cash & cash equivalents - end of year	$ 178,092	$ -	$ 19,198	$ 200	$ -	$ 197,490	$ 3,846
Displayed as:							
Cash on hand and in banks	$ 178,092	$ -	$ 19,198	$ 200	-	$ 197,490	$ 3,846
Due from Other Funds							
Restricted assets: Cash and investments, at cost	-	-	-	-	-	-	-
Totals	$ 178,092	$ -	$ 19,198	$ 200	$ -	$ 197,490	$ 3,846

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, 2014

	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)	$ (275,947)	$ 166,887	$ (335,964)	$ (220,215)	$ 1,233,380	$ 568,141	$ (68,058)
Adjustments to reconcile operating income to net cash provided by operating activities							
Depreciation	78,132	4,863	207,177	46,903	607,483	944,558	3,700
Change in Assets & Liabilities:							
(Increase) decrease in accounts receivable	2,158	(833)	6,700	(125,998)	116,102	(1,871)	-
(Increase) decrease in prepaid insurance	-	-	-	-	-	-	6,712
Increase (decrease) in accounts payable	(4,611)	(17,289)	(29,311)	818	52,672	2,279	(141,697)
Increase (decrease) in accrued expenses	-	-	-	-	14,349	14,349	-
(Increase) decrease in due from other funds	906,400	(189,379)	84,707	313,614	(1,440,414)	(325,072)	183,072
Net cash provided (used) by operating activities	$ 706,132	$ (35,751)	$ (66,691)	$ 15,122	$ 583,572	$ 1,202,384	$ (16,271)

DECATUR COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2014

ASSETS

Cash	$ 1,044,384
Receivables	538,486
Total Assets	$ 1,582,870

LIABILITIES

Due to other agencies	$ 1,402,519
Due to others	180,351
Total Liabilities	$ 1,582,870

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Net Position
Component Units
June 30, 2014

	Hospital Authority of Bainbridge, Decatur County, GA March 31, 2014	Decatur County Health Department June 30, 2014	Development Authority of Bainbridge and Decatur Co. December 31, 2013	Totals
Assets				
Cash	$ 59,221	$ 703,079	$ 155,451	$ 917,751
Accounts receivable - less allowance for uncollectible	11,500,047	-	-	11,500,047
Other receivables	1,131,899	-	647,530	1,779,429
Due from DPH	-	69,373	-	69,373
Due from DCH	-	211,718	-	211,718
Estimated third party payer settlements	975,000	-	-	975,000
Inventories	655,081	-	-	655,081
Prepaid expenses	502,498	-	-	502,498
Total current assets	14,823,746	984,170	802,981	16,610,897
Assets limited as to use:				
Internally designated for capital improvements	1,036,257	-	-	1,036,257
Internally designated for self-insurance	750,065	-	-	750,065
Restricted by donor for nursing home	25,000	-	-	25,000
Total assets limited as to use	1,811,322	-	-	1,811,322
Property, plant and equipment, net	15,815,590	34,932	2,606,561	18,457,083
Notes receivable	149,418	-	-	149,418
Total assets	$ 32,600,076	$ 1,019,102	$ 3,409,542	$ 37,028,720
Current liabilities:				
Current installments of long-term debt	$ 367,185	$ -	$ 57,251	$ 424,436
Accounts payable, trade	3,397,724	12,104	99,191	3,509,019
Accrued liabilities	3,712,173	-	4,170	3,716,343
Estimated third party payer settlement	356,478	-	-	356,478
Total current liabilities	7,833,560	12,104	160,612	8,006,276
Compensated absences	-	66,173	-	66,173
Long-term debt, excluding current installments	7,289,947	-	1,132,607	8,422,554
	7,289,947	66,173	1,132,607	8,488,727
Total liabilities	15,123,507	78,277	1,293,219	16,495,003
Net position:				
Net investment in capital assets	8,158,458	34,932	1,416,703	9,610,093
Restricted	44,333	425,169	-	469,502
Unrestricted	9,273,778	480,724	699,620	10,454,122
Total net position	17,476,569	940,825	2,116,323	20,533,717
Total liabilities and net position	$ 32,600,076	$ 1,019,102	$ 3,409,542	$ 37,028,720

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, 2014

Activities:	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: Hospital Authority	Health Department	Development Authority of Bainbridge and Decatur Co.	Total
Component units:								
Hospital Authority of Bainbridge, Decatur County, Georgia	$ 45,439,430	$ 44,915,931	$ -	$ -	$ (523,499)	$ -	$ -	$ (523,499)
Decatur County Health Department	1,563,308	468,675	1,098,051	-	-	3,418	-	3,418
Development Authority of Bainbridge and Decatur Co.	412,419	34,800	62,225	300,000	-	-	(15,394)	(15,394)
Total component units	$ 47,415,157	$ 45,419,406	$ 1,160,276	$ 300,000	(523,499)	3,418	(15,394)	(535,475)
General Revenues:								
Property taxes					-	-	203,604	203,604
Sales taxes					490,597	-	-	490,597
Other					64,368	-	5,139	69,507
Gain (Loss) on disposal of captial assets					-	-	103,155	103,155
Total General Revenues					554,965	-	311,898	866,863
					31,466	3,418	296,504	331,388
Net position - beginning					17,445,103	937,407	1,819,819	20,202,329
Net position - ending					$17,476,569	$ 940,825	$ 2,116,323	$ 20,533,717

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, the Hospital Authority of Bainbridge, Decatur County, Georgia and the Development Authority of Bainbridge and Decatur County. 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.

The Development Authority of Bainbridge and Decatur County, Georgia is a legally separate entity. The Authority was created for the purpose of promoting and expanding for the public good and welfare industry and trade within the County of Decatur and City of Bainbridge and reducing unemployment to the greatest extent possible. The County appoints a voting majority of the members to the Board of the Development Authority.

Complete Financial Statements for the Decatur County Board of Health, the Hospital Authority of Bainbridge, Decatur County, Georgia and Development Authority of Bainbridge and Decatur County 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
- 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.

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, 2014: 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, 2014.

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 August 20, 2013. 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.

M. Fund Equity

During the year ended June 30, 2014 the County implemented GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB 65, Items Previously Reported as Assets and Liabilities. As a result of these standards, certain items previously reported as assets and liabilities are now reported as deferred outflows and deferred inflows of resources.

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any items that qualify for reporting in this category.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property taxes of $ 174,510 is listed as unavailable and is deferred to be recognized as an inflow of resources in the period that the amounts become 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, 2014 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 $125 invested in the State of Georgia Local Government Investment Pool (Georgia Fund 1) as of June 30, 2014. 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, 2014, property taxes were levied on August 12, 2013, and were due and payable at that time. All unpaid taxes levied on August 12, 2013, became delinquent on December 20, 2013, 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.

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NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 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	2,469,435	365,149	974,923	1,859,661
Total capital assets not being depreciated	8,566,115	365,149	974,923	7,956,341
Capital assets being depreciated:				
Automobiles	2,376,355	83,650	61,146	2,398,859
Buildings	21,351,860	-	-	21,351,860
Infrastructure	23,216,429	1,106,442	-	24,322,871
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	4,186,602	266,751	275,000	4,178,353
Laundry equipment	72,259	-	-	72,259
Machinery	332,559	-	-	332,559
Radios	6,255	-	-	6,255
Miscellaneous equipment	112,565	-	-	112,565
Office equipment	590,148	-	-	590,148
Total capital assets being depreciated	55,795,461	1,456,843	336,146	56,916,158
Less accumulated depreciation for:				
Automobiles	1,651,150	102,002	61,146	1,692,006
Buildings	7,781,553	468,925	-	8,250,478
Infrastructure	14,424,388	767,898	-	15,192,286
Camera/security equipment	58,265	10,158	-	68,423
Computers	118,453	14,800	-	133,253
Capital asset software	52,341	-	-	52,341
Cooler	8,600	220	-	8,820
Fire equipment	2,501,556	36,662	-	2,538,218
Food service equipment	132,192	14,366	-	146,558
Fixtures	181,205	9,570	-	190,775
Heavy equipment	2,569,842	213,859	116,493	2,667,208
Laundry equipment	64,095	2,752	-	66,847
Machinery	276,474	14,575	-	291,049
Radios	6,208	52	-	6,260
Miscellaneous equipment	17,126	10,857	-	27,983
Office equipment	545,371	7,890	-	553,261
Total Accumulated Depreciation	30,388,819	1,674,586	177,639	31,885,766
Governmental activities capital assets, net	$ 33,972,757	$ 147,406	$ 1,133,430	$ 32,986,733

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Business-type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,968,405	$ -	$ -	$ 1,968,405
Construction in Progress	2,149,075	1,564,013	362,463	3,350,625
Total capital assets not being depreciated	4,117,480	1,564,013	362,463	5,319,030
Capital Assets being depreciated:				
Buildings	2,004,245	362,463	-	2,366,708
Structures & Improvements	16,629,007	-	-	16,629,007
Machinery & Equipment	4,136,467	421,091	130,350	4,427,208
Automobile Equipment	1,250,176	-	-	1,250,176
Office Furniture & Fixtures	24,298	-	-	24,298
Total capital assets being depreciated:	24,044,193	783,554	130,350	24,697,397
Less accumulated depreciation for:				
Buildings	1,477,610	25,874	-	1,503,484
Structures & Improvements	5,170,801	636,935	-	5,807,736
Machinery & Equipment	2,894,870	245,606	47,071	3,093,405
Automobile Equipment	1,097,297	36,144	-	1,133,441
Office Furniture & Fixtures	24,300	-	-	24,300
Total accumulated depreciation	10,664,878	944,558	47,071	11,562,365
Business-type activities capital assets being depreciated, net	13,379,315	(161,005)	83,279	13,135,031
Business-type activities capital assets, net	$ 17,496,795	$ 1,403,008	$ 445,742	$ 18,454,061

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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, 2014 is as follows:

Net investment in capital assets	Governmental Activities	Business Type Activities
Cost of capital assets	$ 64,872,493	$ 30,016,428
Less accumulated depreciation	(31,885,760)	(11,562,367)
Book value	32,986,733	18,454,061
Less capital related debt	(5,397,015)	(1,002,597)
Less deferred refunding amounts and bond premiums and discounts	(7,938)	-
Net investment in capital assets	$ 27,581,780	$ 17,451,464

Depreciation expense was charged to the governmental functions as follows:

General government	$ 150,336
Public Safety	385,074
Public Works	911,727
Health & Welfare	21,598
Housing & Development	104,609
Recreation	97,543
Internal Service Funds	3,700
Total governmental depreciation recognized in functions	$ 1,674,586

NOTE 6 – SHORT-TERM DEBT

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 was paid in full as of June 30, 2014.

	Payable at 7/1/2013	Additions	Reductions	Payable at 6/30/2014
Governmental Activities:				
Notes Payable:				
First Port City Bank Tax Anticipation Note #2	1,021,000	1,500,000	2,521,000	-
Total	$ 1,021,000	$ 1,500,000	$ 2,521,000	$ -

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. This note was paid in full as of June 30, 2014.

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. The balance of this note as of June 30, 2014 was $134,229.

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 $42,626.

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, 2014 are as follows:

	Beginning of Year	Increases	Decreases	End of Year	Due within One Year
Governmental activities:					
Revenue Bonds Payable	$ 2,995,000	$ -	$ 1,470,000	$ 1,525,000	$ 1,525,000
Add deferred amounts Unamortized premium	85,252	-	42,626	42,626	-
Total bonds payable	3,080,252	-	1,512,626	1,567,626	1,525,000
Capital Lease Obligations	1,683,458	311,544	590,887	1,404,115	409,970
GEFA Note Payable	2,419,860	-	128,815	2,291,045	132,734
USDA Note Payable *	68,656	-	68,656	-	-
USDA Note Payable #2	165,000	-	30,771	134,229	31,848
Sub-total-Governmental activities	7,417,226	311,544	2,331,755	5,397,015	2,099,552
Business-type activities:					
Water and Sewer Fund					
Revenue Bonds Payable	155,000	-	155,000	-	-
Sub-totals-Water & Sewer Fund	155,000	-	155,000	-	-
Landfill Fund					
Accrued closure/postclosure cost-Old Landfill	828,138	-	17,598	810,540	-
Accrued closure/postclosure cost-New Landfill	2,806,464	31,947	-	2,838,411	-
Capital Leases	448,331	308,904	255,439	501,796	165,185
GEFA Note Payable - Not in repayment	-	500,804	-	500,804	-
Sub-total-Landfill Fund	4,082,933	841,655	273,037	4,651,551	165,185
Sub-total-Business-type activities	4,237,933	841,655	428,037	4,651,551	165,185
Total all long-term debt	$ 11,655,159	$ 1,153,199	$ 2,759,792	$ 10,048,566	$ 2,264,737

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities	Landfill Fund	EMS Fund
Machinery and equipment	$ 2,740,621	$ 2,931,419	$ 94,995
Less: Accumulated depreciation	(1,529,245)	(1,766,689)	(94,995)
Total	$ 1,211,376	$ 1,164,730	$ -

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Debt service requirements on long-term debt at June 30, 2014 are as follows:

Year Ending June 30	Governmental Activities - Capital Leases		
	Principal	Interest	Totals
2015	$ 409,970	$ 23,258	$ 433,228
2016	417,698	15,531	433,229
2017	425,572	7,657	433,229
2018	130,755	1,230	131,985
2019	20,120	5	20,125
Totals	$ 1,404,115	$ 47,681	$ 1,451,796

Year Ending June 30	Business-Type Activities - Capital Leases		
	Principal	Interest	Totals
2015	$ 165,185	$ 10,185	$ 175,370
2016	114,474	5,827	120,301
2017	38,603	4,602	43,205
2018	39,480	3,724	43,204
2019	144,052	2,205	146,257
Totals	$ 501,794	$ 26,543	$ 528,337

Year Ending June 30	Governmental Activities - USDA Note Payable #2		
	Principal	Interest	Totals
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	$ 134,229	$ 11,955	$ 146,184

Year Ending June 30	General Obligation SPLOST Bonds		
	Principal	Interest	Totals
2015	$ 1,525,000	$ 61,000	$ 1,586,000
	1,525,000	$ 61,000	$ 1,586,000
Add: Unamortized Premium	42,626		
	$ 1,567,626		

Ending June 30	Governmental Funds - GEFA Note - Silver Lake Project		
	Principal	Interest	Totals
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	$ 2,291,044	$ 520,895	$ 2,811,939

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
Deere Credit, Inc. Lease-Purchase Contract on JD 670 G Motor Grader SN: 1DW670GX645607	$ 187,647	3,307	2.30%	60	$ 119,066	$ 114,945
Caterpillar Financial Service Corp. Lease-Purchase Contract on 12M2 Caterpillar Motor Grader SN: F9M00267	67,657	1,193	2.24%	60	56,071	53,634
Suntrust Equipment Finance and Leasing Corp. Lease-Purchase Contract on 911 Communications System Narrowbanding Upgrade	1,500,000	26,161	1.80%		995,588	965,598
Bancorp South Equipment Finance. Lease-Purchase Contract on JD 750K Crawler Dozer SN: 1T0750KXVDE247444	53,544	942	2.14%	60	47,089	45,012
Suntrust Equipment Finance and Leasing Corp. Lease-Purchase Contract on 911 Communications System Narrowbanding Upgrade	269,978	4,500	1.80%	60	233,981	224,926
Total Governmental Activities	$ 2,078,826				$ 1,451,795	$ 1,404,115

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Business-type activities:

Purpose	Original Amount	Payment Amounts	Interest Rate	Payments	Minimum Lease Payments	Net Present Value
Landfill:						
Suntrust Equipment Finance. Lease-Purchase Contract on BOMAG BC 1172RB-2 Landfill Compactor	620,975	11,014	2.47%	60	209,262	205,008
BancorpSouth Equipment Finance. Lease-Purchase Agreement on Caterpillar D6T XL Dozer SN: 1355	308,904	3,600	2.25%	61	319,074	296,785
Sub-Total Landfill	$ 929,879				$ 528,336	$ 501,793
Totals Business-Type Activities	$ 929,879				$ 528,336	$ 501,793
Total All Activities	$ 3,008,705				$ 1,980,131	$ 1,905,908

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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 # 5)	$ 1,216,651	$ -
General Fund (from Insurance ISF)	245,325	-
General Fund (due to ISF)	-	5,836,320
General Fund (from Mandatory Drug Fund)	11,875	
General Fund Operating Activities	9,682,929	-
SPLOST Capital Projects Fund # 5 (due to General Fund)	-	1,216,651
	11,156,780	7,052,971
Proprietary Funds		
Natural Gas Fund (due to ISF)	-	149,500
Natural Gas Fund Operating Activities	804,473	-
Airport Fund (due to ISF)	-	293,764
Airport Fund Operating Activities	-	594,544
Ambulance Service Fund (due to ISF)	-	436,145
Ambulance Service Fund Operating Activities	-	1,532,419
Landfill Fund (due to ISF)	-	392,617
Landfill Fund Operating Activities	2,460,821	-
Water & Sewer Fund (due to ISF)	-	180,786
Water & Sewer Fund Operating Activities	-	2,541,941
	3,265,294	6,121,715
Non-Major Funds		
E-911 SRF (due to ISF)	-	110,045
E-911 SRF Operating Activities	15,854	-
Confiscated Assets SRF Operating Activities	4,999	-
Decatur County Prison SRF Operating Activities	-	10,577
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		1
Recovery Act SRF Operating Activities	-	5,581
Lake Decatur Project Fund	-	6,684
Internal Service Fund (Governmental Funds)	6,013,839	-
Internal Service Fund (Proprietary Funds)	1,452,812	-
Internal Service Fund Operating Activities	-	7,952,565
Insurance Internal Service Fund (due to General Fund)	-	245,325
Insurance Internal Service Fund Operating Activities	-	399,707
	7,494,973	8,742,361
Totals	$ 21,917,047	$ 21,917,047

Entity-wide Inter-fund Balance Reconciliation

Governmental Funds	
Receivables	$ 11,185,102
Payables	(7,197,734)
Netting of Internal Service Fund	(1,193,614)
Internal Balances - Governmental Activities	$ 2,793,754
Business-Type Funds	
Business-Type Funds Receivables	$ 3,265,294
Business-Type Funds Payables	(6,121,715)
Netting of Internal Service Fund	62,667
Internal Balances - Business-Type Activites	$ (2,793,754)

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, 2014 consisted of the following:

	Transfer In			
Transfer Out	**General Fund**	**SPLOST CPF Ref, #4**	**Non-major**	**Total**
General Fund	$ -	$ 2,613,445	$ 73,562	$ 2,687,007
Non-major Governmental	57,099	-	-	57,099
Totals	$ 57,099	$ 2,613,445	$ 73,562	$ 2,744,106

Governmental Activities:	
Total Transfer Out	$ (2,744,106)
Less: Transfer to	
Major Governmental	2,613,445
Non-major Governmental	130,661
Net Transfers Out	$ -

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.

A transfer of $ 20,099 was made from the Telecom. Reserve Fund to close out the fund as it is now inactive.
Transfers of $ 2,613,445 was made to remove the inter-fund payable for the SPLOST 4 fund to the general fund that cannot be repaid since the referendum is completed and no additional funding is expected for the fund.

Transfers of $ 73,562 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.

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:	2014	2013
Net Pension Cost as of Beginning of Prior Year	$ (322,267)	$ (315,759)
Annual Pension Cost for Prior Year	689,137	676,385
Actual Contributions to Plan for Prior Year	687,389	682,893
Increase in Net Pension Obligation	1,748	(6,508)
Net Pension Obligation as of Beginning of the Year	$ (320,519)	$ (322,267)
Derivation of Annual Pension Cost:		
Annual Required Contribution	*	$ 687,389
Interest on Net Pension Obligation	*	(24,976)
Amortization of Net Pension Obligation	*	26,724
Annual Pension Cost	*	$ 689,137

*To be determined when the January 1, 2014 valuation is completed.

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	687,389	100%	$ (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)
12/31/13	$ 7,316,862 *	$ 8,967,062	81.6%	$ 1,650,200	$ 6,887,197	24.0%
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, 2014. No provisions have been made in the financial statements for the year ended June 30, 2014 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 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	$ 198,539	$ 837,487	$ 62,493	$ 463,916	$ 2,898,714	$ 4,461,149
Capital	4,010,138	64,996	3,614,807	137,920	10,626,200	18,454,061
Total Assets	$ 4,208,677	$ 902,483	$ 3,677,300	$ 601,836	$ 13,524,914	$ 22,915,210
Liabilities						
Current	$ 2,798,024	$ 169,712	$ 936,735	$ 2,021,614	$ 759,239	$ 6,685,324
Long-term	-	-	-	-	4,486,364	4,486,364
Total Liabilities	$ 2,798,024	$ 169,712	$ 936,735	$ 2,021,614	$ 5,245,603	$ 11,171,688
Net Position						
Net Investment in Capital Assets	$ 4,010,138	$ 64,996	$ 3,614,807	$ 137,920	$ 9,623,602	$ 17,451,463
Unrestricted	(2,599,485)	667,775	(874,242)	(1,557,698)	(1,344,291)	(5,707,941)
Total Net Position	$ 1,410,653	$ 732,771	$ 2,740,565	$ (1,419,778)	$ 8,279,311	$ 11,743,522

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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	$ 214,323	$ 636,482	$ 555,370	$ 1,117,365	$ 2,812,380	$ 5,335,920
Rental Income	-	-	5,385	-	-	5,385
Total operating revenues	214,323	636,482	560,755	1,117,365	2,812,380	5,341,305
Operating expenses (Excluding Depreciation)	412,138	464,732	689,542	1,290,677	971,517	3,828,606
Depreciation	78,132	4,863	207,177	46,903	607,483	944,558
Total operating expenses	490,270	469,595	896,719	1,337,580	1,579,000	4,773,164
Operating income (loss)	(275,947)	166,887	(335,964)	(220,215)	1,233,380	568,141
Nonoperating revenues (expenses)						
Intergovernmental	-	-	319,025	-	-	319,025
Private Donations	-	-	39,165	-	-	39,165
Interest income	472	-	-	-	-	472
Gain (Loss) on disposal of assets	-	35,751	-	-	6,251	42,002
Interest expense	(7,972)	-	-	-	(12,236)	(20,208)
Total Nonoperating income (expenses)	(7,500)	35,751	358,190	-	(5,985)	380,456
Changes in net position	(283,447)	202,638	22,226	(220,215)	1,227,395	948,597
Beginning net position as restated	1,694,100	530,133	2,718,339	(1,199,563)	7,051,916	10,794,925
Ending net position	$ 1,410,653	$ 732,771	$ 2,740,565	$ (1,419,778)	$ 8,279,311	$ 11,743,522

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	$ 706,132	$ (35,751)	$ (66,691)	$ 15,122	$ 583,572	$ 1,202,384
Net cash provided (used) by noncapital financing activities	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	(621,310)	35,751	67,930	(15,122)	(583,572)	(1,116,323)
Net cash provided (used) by investing activities	472	-	-	-	-	472
Net increase (decrease) in cash & cash equivalents	85,294	-	1,239	-	-	86,533
Beginning cash & cash equivalents	92,798	-	17,959	200	-	110,957
Ending cash & cash equivalents	$ 178,092	$ -	$ 19,198	$ 200	$ -	$ 197,490

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 $ 810,540 as of June 30, 2014. 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. Additional cost is being recognized as capacity is being used and adjusted for inflation and is being reported as a long-term liability. The total landfill capacity used as of June 30, 2014 is 16%. The County estimates the remaining useful life of the landfill as 36.04 years. The estimated liability for post closure care costs of the landfill was $ 2,838,411 as of June 30, 2014. Actual costs 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	$ 23,289	$ -	$ 23,289
Crime Victims Assistance	4,901	-	4,901
Law Library	15,798	-	15,798
Confiscated Assets	30,210	-	30,210
Mandatory Drug Fund	109,807	-	109,807
Decatur County Prison Account	3,922	-	3,922
Retirement	-	1,101,659	1,101,659
	$ 187,927	$ 1,101,659	$ 1,289,586

NOTE 16 - SPECIAL ITEM – SALES OF CAPITAL ASSETS

During the fiscal year ended June 30, 2014 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 several pieces of fully depreciated equipment that resulted in gains of $50,227 in governmental activities. Additionally, dispositions of several pieces of fully depreciated equipment in business activities resulted in a gain of $42,002.

NOTE 17 - DEFICIT FUND BALANCE

For the fiscal year ended June 30, 2014 there were numerous funds that had a deficit fund balance. The Ambulance Service fund had a deficit balance of $1,419,778. It is the County's intent to alleviate this deficit with future revenues and/or transfers from other funds. The SPLOST 5 fund shows a deficit fund balance of $7,929 at year end that is expected to be eliminated by collections of tax revenues. 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 Lake Decatur Fund Special Revenue Fund had a deficit fund balance of $6,684. 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 $641,186. It is the County's intent to alleviate these deficits with future revenues and/or transfers from other funds.

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT – HOSPITAL AUTHORITY OF BAINBRIDGE, DEATUR COUNTY

A. Bank Deposits

At March 31, 2013 and 2014, the Authority had bank balances as follows:

	2014	2013
Insured (FDIC) or collateralized with securities held by the Authority.	$ 590,842	$ 534,588
Collateralized by securities held by the pledging financial institution's trust department in the Authority's name.	1,288,577	1,888,437
Total (bank balance)	$ 1,879,419	$ 2,423,025
Carrying value (book value)	$ 1,870,543	$ 2,232,915

B. Capital Assets

A summary of property and equipment at March 31, 2014 follows:

	2013 Balance	Increase	Decrease	2014 Balance
Land	$ 735,367	$ 170,000	$ -	$ 905,367
Buildings & Improvements	21,394,050	3,092,891	-	24,486,941
Equipment	21,542,512	625,526	50,794	22,117,244
Construction in progress	2,214,429	703,324	2,433,201	484,552
Total property and equipment	45,886,358	4,591,741	2,483,995	47,994,104
Less accumulated depreciation:				
Buildings and improvements	13,513,614	659,537	-	14,173,151
Equipment	17,132,300	920,909	47,846	18,005,363
Total accumulated depreciation	30,645,914	1,580,446	47,846	32,178,514
Net property and equipment	$ 15,240,444	$ 3,011,295	$ 2,436,149	$ 15,815,590

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NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT – HOSPITAL AUTHORITY OF BAINBRIDGE, DEATUR COUNTY-continued

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

	2013 Balance	Additions	Deletions	2014 Balance	Amount Due in One Year
Notes payable	$ 6,043,375	$ 1,859,937	$ 285,966	$ 7,617,346	$ 327,399
Capital leases	86,725	-	46,939	39,786	39,786
Total long term debt	$ 6,130,100	$ 1,859,937	$ 332,905	$ 7,657,132	$ 367,185

A summary of long-term debt, including capital lease obligations, at March 31, 2014 and 2013, follows:

	2014	2013
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 refinancied 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.	$ 7,147,255	$ 5,720,902
3.412% note payable to Annette D. Harrell in monthly installments of $3,742 until June 2021, unsecured.	288,043	322,473
3.25% note payable to Charles A. Walker in monthly installments of $1,818 until December 2023. It is collateralized by the office building.	182,048	-
Capital lease obligation at imputed interest rates from 3.68% to 4.80%. Collateralized by leased equipment	39,786	86,725
Total long-term debt	7,657,132	6,130,100
Less current installments of long-term debt	367,185	282,598
Long-term debt, excluding current installments	$ 7,289,947	$ 5,847,502

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

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NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT – HOSPITAL AUTHORITY OF BAINBRIDGE, DEATUR COUNTY-continued

	Long-term Debt		Capital Lease Obligations	
Year Ended March 31	Principal	Interest	Principal	Interest
2015	$ 327,399	$ 244,667	$ 39,786	$ 732
2016	338,258	233,807	-	-
2017	6,642,257	47,219	-	-
2018	57,249	9,464	-	-
2019	59,203	7,510	-	-
2020-Thereafter	192,980	11,633		
Totals	$ 7,617,346	$ 554,300	$ 39,786	$ 732

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, 2014 and 2013, the Authority contributed $350,000 and $330,000 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 years ended March 31, 2014 and 2013. 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, including administrative fees, during the years ended March 31, 2014 and 2013.

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.

NOTE 18 - DISCRETELY PRESENTED COMPONENT UNIT – HOSPITAL AUTHORITY OF BAINBRIDGE, DEATUR COUNTY-continued

G. Related Organization

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

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

	2014	2013
Assets	$ 1,226,869	$ 1,076,091
Liabilities	34,099	43,026
Net Position	1,192,770	1,033,065
Liabilities and net position	$ 1,226,869	$ 1,076,091
Revenues	$ 110,472	$ 41,952
Investing gains (losses)	21,004	180,954
Expenses	(19,217)	(27,447)
Contributions to Memorial Hospital and	(31,200)	(76,755)
Excess of revenues over expenses	81,059	118,704
Changes in net unrealized gains and losses on marketable securities	78,646	(117,019)
Net position, beginning of year	1,033,065	1,031,380
Net position, end of year	$ 1,192,770	$ 1,033,065

NOTE 19 - DISCRETELY PRESENTED COMPONENT UNIT – DECATUR COUNTY HEALTH DEPARTMENT

A. Bank Deposits

Total deposits and investments as of June 30, 2014, are summarized as follows:

As reported in the Statement of Net Position:	
Cash and cash equivalents	$ 703,079
Cash deposited with financial institutions	$ 703,079

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, 2014, the Health Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

NOTE 19 - DISCRETELY PRESENTED COMPONENT UNIT – DECATUR COUNTY HEALTH DEPARTMENT - continued

B. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Increase	Decrease	Balance June 30, 2014
Vehicles	$ 95,624	$ -	$ 46,424	$ 49,200
Building	19,492	7,200	-	26,692
Equipment	77,767	14,827	-	92,594
Accumulated Depreciation	(177,075)	(2,903)	(46,424)	(133,554)
Governmental Activities Capital Assets, Net	$ 15,808	$ 19,124	$ -	$ 34,932

C. Compensated Absences

Non-current liabilities on the Statement of Net Position are made up of compensated absences payable at June 30, 2014. All of the compensated absences are related to governmental activities. Changes in compensated absences for FY2014 are as follows:

Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
$ 67,622	$ -	$ 1,449	$ 66,173

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, 2014 were $75,159 based on qualifying salaries of $376,535. Ten year historical information may be obtained from the Employee's Retirement System of Georgia.

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NOTE 20 - DISCRETELY PRESENTED COMPONENT UNIT – DEVELOPMENT AUTHORITY OF BAINBRIDGE AND DECATUR COUNTY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The Decatur County, Georgia is a public body corporate and politic and an instrumentality of the State of Georgia created under and pursuant to an amendment to the Constitution of the State of Georgia duly ratified and proclaimed as amended. The Authority was created for the purpose of promoting and expanding for the public good and welfare industry and trade within the County of Decatur and City of Bainbridge and reducing unemployment to the greatest extent possible.

The financial statements of the Authority consist only of the funds of the Authority. The Authority has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Authority.

As of July 9, 1992, the Decatur County - Bainbridge Industrial Development Authority deeded its properties to the Decatur County, Georgia. Both deeds were properly executed and filed with the land records of Decatur County, Georgia. All personal property belonging to the Decatur County - Bainbridge Industrial Development Authority, as listed in the Bill of Sale, were also sold to the Decatur County, Georgia as of July 9, 1992. As of and after this date, the Decatur County - Bainbridge Industrial Development Authority of Bainbridge and Decatur County ceased all operations on behalf of Decatur County and Bainbridge, Georgia. Henceforth, all activity and operations transpire through the new entity, the Decatur County, Georgia.

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NOTE 20 - DISCRETELY PRESENTED COMPONENT UNIT – DEVELOPMENT AUTHORITY OF BAINBRIDGE AND DECATUR COUNTY - continued

B. Basis of Presentation - Fund Accounting

Government-wide Statements: The Statement of Net Assets and the Statement of Activities display information about the primary government (the Authority). These statements include the financial activities of the overall government. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Authority'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 have not been made in the funds. 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.

C. Basis of Accounting - Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus. The government-wide 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 Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

D. 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 those that are an ancillary part of a network of infrastructure assets, will not be considered infrastructure assets. Capital assets are recorded at cost

NOTE 20 - DISCRETELY PRESENTED COMPONENT UNIT – DEVELOPMENT AUTHORITY OF BAINBRIDGE AND DECATUR COUNTY - continued

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

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	10-60 years
Infrastructure	20 years
Equipment	3-20 years
Furniture & Fixtures	7 years
Vehicles	6-12 years

E. Deposits and Investments

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

Custodial Credit Risk - Deposits. This is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. All of the Authority's deposits are covered by a combination of federal depository insurance and securities pledged by financial institutions as collateral to protect the deposits of the Authority as required under state law. Therefore, the Authority has no custodial credit risk for its deposits.

The Authority does not have any investments.

NOTE 20 - DISCRETELY PRESENTED COMPONENT UNIT – DEVELOPMENT AUTHORITY OF BAINBRIDGE AND DECATUR COUNTY - continued

F. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 261	$ -	$ -	$ 261
Construction in progress	-	39,334	-	39,334
Total capital assets not being depreciated	261	39,334	-	39,595
Capital assets being depreciated:				
Buildings	20,754	1,702,285	-	1,723,039
Improvements	1,061,625	-	-	1,061,625
Machinery & equipment	3,296	-	-	3,296
Total capital assets being depreciated	1,085,675	1,702,285	-	2,787,960
Less accumulated depreciation for:				
Buildings	(12,164)	(11,677)	-	(23,841)
Improvements	(143,429)	(50,676)	-	(194,105)
Machinery & equipment	(2,802)	(246)	-	(3,048)
Total Accumulated Depreciation	(158,395)	(62,599)	-	(220,994)
Governmental activities capital assets, net	$ 927,541	$ 1,679,020	$ -	$ 2,606,561

Depreciation expense was charged to the governmental functions as follows:

General government	$ 62,599
Total governmental depreciation expense:	$ 62,599

G. LONG-TERM OBLIGATIONS

Series 2013 Bonds

On September 30, 2013, the Authority issued $1,200,000 of Revenue Bonds for the purpose of purchasing the Traco property for the Bainbridge Manufacturing Project. The Authority has to pay issuance cost of $60,212. The 2013 Series 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 yearend was $207,471. The bonds are guaranteed by the intergovernmental contract with the City.

NOTE 20 - DISCRETELY PRESENTED COMPONENT UNIT – DEVELOPMENT AUTHORITY OF BAINBRIDGE AND DECATUR COUNTY – continued

G. LONG-TERM OBLIGATIONS - continued

Bonds will bear interest as set forth below:

Year	Principal Amount	Interest Rate
2014	$ 57,251	4.45%
2015	59,827	4.45%
2016	62,519	4.45%
2017	65,332	4.45%
2018	68,271	4.45%
2019	71,343	4.45%
2020	74,553	4.45%
2021	77,908	4.45%
2022	81,413	4.45%
2023	85,076	4.45%
2024	88,904	4.45%
2025	92,905	4.45%
2026	97,085	4.45%
	982,387	
Add: Unamortized Premium	207,471	
	$ 1,189,858	

Changes in long-term liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Governmental activities:					
Revenue Bonds Payable	$ -	$ 1,200,000	$ (10,142)	$ 1,189,858	$ 57,251
Total all long-term debt	$ -	$ 1,200,000	$ (10,142)	$ 1,189,858	$ 57,251

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NOTE 20 - DISCRETELY PRESENTED COMPONENT UNIT – DEVELOPMENT AUTHORITY OF BAINBRIDGE AND DECATUR COUNTY – continued

H. SPECIAL ITEM – SALE OF CAPITAL ASSETS

During the fiscal year ended December 31, 2013, the Authority sold certain capital assets, which were transactions the Authority considers infrequent in occurrence. The Authority has reported these transactions as special items in the government-wide financial statements as required by GASB 34, paragraph 56.

The transactions consisted of the disposition of Land for $103,155.

I. CONTINGENT LIABILITIES

In an effort to accomplish its corporate purposes, the Authority will issue its limited obligation note to acquire funds to purchase and improve real property and equipment. A local industry will then acquire the property from the Authority under a lease-purchase agreement. The terms and payments of this lease agreement will correspond with terms and payments of the note issued by the Authority to acquire the same property. This lease-purchase agreement is then assigned by the Authority to the lender holding its limited obligation note. Also, the industry that entered into the lease-purchase agreement with the Authority unconditionally guarantees to the lender that it will make the required payments on the note. The Authority is not aware of any material contingent liabilities.

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time although the authority expects such amounts, if any, to be immaterial.

J. RISK MANAGEMENT

The Authority is exposed to various risks of loss relating to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance.

K. LITIGATION AND UNASSERTED CLAIMS

There is no pending or threatened litigation against the Authority, and additionally, there are no unasserted claims or assessments.

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REQUIRED SUPPLEMENTARY INFORMATION

Decatur County, Georgia
Budgetary Comparison Schedule - General Fund (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (GAAP Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
REVENUES				
Property taxes	$ 9,317,100	$ 10,184,156	$ 10,384,615	$ 200,459
Sales and miscellaneous taxes	3,127,400	3,120,700	3,120,804	104
Fees and fines	1,071,200	991,200	992,209	1,009
Licenses and permits	77,500	155,500	155,700	200
Intergovernmental	222,475	192,475	193,288	813
Charges for services	1,939,432	1,937,432	1,967,325	29,893
Investment earnings	40,000	40,000	43,786	3,786
Miscellaneous	155,300	250,300	295,179	44,879
Contributions and donations	-	8,800	8,881	81
TOTAL REVENUES	15,950,407	16,880,563	17,161,787	281,224
EXPENDITURES				
General Government				
Legislative	233,360	233,360	149,909	83,451
Elections	195,474	195,474	179,230	16,244
Tax Commissioner	451,584	458,584	458,567	17
Tax Assessor	395,249	403,249	403,217	32
General Govt. Buildings and Grounds	142,420	160,620	160,555	65
General Government	1,418,087	1,451,287	1,351,478	99,809
Judicial				
Superior Court	73,414	78,814	78,740	74
Clerk of Courts	522,136	526,436	526,375	61
District Attorney	44,750	44,750	44,750	-
State Court	162,220	164,220	164,159	61
Magistrate Court	217,434	217,434	216,332	1,102
Probate Court	162,703	164,803	164,649	154
Juvenile Court	148,569	148,569	144,205	4,364
Public Defender	166,300	166,300	155,650	10,650
Judicial	1,497,526	1,511,326	1,494,860	16,466
Public Safety				
Sheriff	2,850,587	2,916,587	2,916,481	106
Jail	2,035,656	2,083,856	2,081,062	2,794
Corrections	3,682,118	3,824,118	3,823,389	729
Fire	1,013,919	1,139,919	1,139,228	691
Public Safety / Communications	313,927	908,927	908,538	389
Coroner/Medical Examiner	38,802	40,902	40,901	1
Emergency Management	18,001	18,001	8,841	9,160
Public Safety	9,953,010	10,932,310	10,918,440	13,870
Public Works				
Highways and Streets	2,212,910	2,212,910	2,139,659	73,251
Maintenance & Shop	147,301	147,301	133,021	14,280
Public Works	2,360,211	2,360,211	2,272,680	87,531

Decatur County, Georgia
Budgetary Comparison Schedule - General Fund (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (GAAP Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
Health and Welfare				
Health	115,610	120,810	120,805	5
Health and Welfare	115,610	120,810	120,805	5
Parks and Recreation				
Recreation	9,000	9,000	9,000	-
Parks	99,944	122,144	122,055	89
Parks and Recreation	108,944	131,144	131,055	89
Housing and Development				
Conservation	137,110	137,110	111,590	25,520
Planning and Zoning	140,236	142,236	142,221	15
Industrial Park	66,772	66,772	65,194	1,578
Housing and Development	344,118	346,118	319,005	27,113
Debt Service				
TAN Note Interest	49,264	49,264	24,861	24,403
Debt Service	49,264	49,264	24,861	24,403
Total Expenditures - All Departments	15,846,770	16,902,470	16,633,184	269,286
Net Excess before Operating Transfers	103,637	(21,907)	528,603	550,510
OTHER FINANCING SOURCES (USES)				
Proceeds from loan proceeds	-	53,544	311,544	258,000
Transfers In (Out)	(125,637)	(53,637)	(16,463)	37,174
Total Other Financing Sources (uses)	(125,637)	(93)	295,081	295,174
SPECIAL ITEMS				
Proceeds from sale of capital assets	22,000	22,000	50,227	28,227
Total Special Items	22,000	22,000	50,227	28,227
Net Excess (deficit)	$ -	$ -	$ 873,911	$ 873,911

DECATUR COUNTY, GEORGIA
Debt Service Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Taxes	$ 1,766,330	$ 1,786,330	$ 1,783,815	$ (2,515)
Total Revenues	1,766,330	1,786,330	1,783,815	(2,515)
Expenditures				
Debt Service				
Principal	1,635,591	1,635,591	1,598,646	36,945
Interest	130,739	150,739	185,169	(34,430)
Total Expenditures	1,766,330	1,786,330	1,783,815	2,515
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund Balance Beginning of Year	-	-	-	-
Fund Balance End of Year	$ -	$ -	$ -	$ -

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 August 20, 2013. 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, 2013	$ 7,316,862	*	$ 8,967,062	$ 1,650,200	81.6%	$ 6,887,197	24.0%
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 this percentage, the stronger the Plan.

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

Decatur County, Georgia
Employee Retirement System
Required Supplementary Information
For the Fiscal Year Ended June 30, 2014

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, 2014

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

CAPITAL PROJECTS FUNDS

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

DECATUR COUNTY, GEORGIA
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2014

	Law Library	Confiscated Assets	E-911	CDBG EIP	Victim's Assistance	Creek Indian Project	Recovery Act - JAG	Mandatory Drug Fund	Lake Decatur Fund	Telecom. Reserve Fund	Decatur County Prison Account	Totals
Assets												
Cash in banks	$ 15,798	$ 25,211	$ -	$ 23,289	$ 6	$ -	$ -	$ 82,107	$ -	$ -	$ 23,304	$ 169,715
Due from other funds	-	4,999	-	-	4,895	-	-	2,574	-	-	-	12,468
Notes/capital leases receivable	-	-	-	521,222	-	-	-	-	-	-	-	521,222
Intergovernmental receivable	-	-	77,110	-	-	-	-	-	-	-	-	77,110
Total Assets	$ 15,798	$ 30,210	$ 77,110	$ 544,511	$ 4,901	$ -	$ -	$ 84,681	$ -	$ -	$ 23,304	$ 780,515
Liabilities & Fund Balances												
Liabilities												
Accounts payable	$ -	$ -	$ 13,012	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,805	$ 21,817
Due to other funds	-	-	94,191	-	-	-	5,581	11,875	6,684	-	10,577	128,908
Deferred revenue	-	-	-	521,222	-	-	-	-	-	-	-	521,222
Accrued salaries	-	-	23,656	-	-	-	-	-	-	-	-	23,656
Total Liabilities	-	-	130,859	521,222	-	-	5,581	11,875	6,684	-	19,382	695,603
Fund Balances												
Restricted for:												
Legal Reference Materials	15,798	-	-	-	-	-	-	-	-	-	-	15,798
Public Safety	-	30,210	-	-	4,901	-	-	72,806	-	-	3,922	111,839
Economic Development	-	-	-	23,289	-	-	-	-	(6,684)	-	-	16,605
Unassigned	-	-	(53,749)	-	-	-	(5,581)	-	-	-	-	(59,330)
Total Fund Balances	15,798	30,210	(53,749)	23,289	4,901	-	(5,581)	72,806	(6,684)	-	3,922	84,912
Total Liabilities & Fund Balance	$ 15,798	$ 30,210	$ 77,110	$ 544,511	$ 4,901	$ -	$ -	$ 84,681	$ -	$ -	$ 23,304	$ 780,515

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, 2014

	Law Library	Confiscated Assets	E-911	CDBG EIP	Victim's Assistance	Creek Indian Project	Recovery Act - JAG	Mandatory Drug Fund	Lake Decatur Fund	Telecom. Reserve Fund	Decatur County Prison Account	Totals
Revenues												
Charges for services	$ 4,102	$ -	$ 438,204	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 164,907	$ 607,213
Fines and forfeitures	-	24,429	-	-	-	-	-	54,621	-	-	-	79,050
Intergovernmental	-	-	393,460	84,983	51,651	2,684	8,993	-	-	-	-	541,771
Interest	-	10	-	7,443	-	-	-	299	-	-	1	7,753
Total Revenues	4,102	24,439	831,664	92,426	51,651	2,684	8,993	54,920	-	-	164,908	1,235,787
Expenditures												
General Government	10,396	-	-	-	-	2,684	-	-	-	-	-	13,080
Public Safety	-	8,492	905,226	-	51,651	-	8,993	-	-	-	167,865	1,142,227
Housing and Development	-	-	-	214,000	-	-	-	-	-	-	-	214,000
Culture and recreation	-	-	-	-	-	-	-	-	6,684	-	-	6,684
Total Expenditures	10,396	8,492	905,226	214,000	51,651	2,684	8,993	-	6,684	-	167,865	1,375,991
Excess (deficiency) of revenues over expenditures	(6,294)	15,947	(73,562)	(121,574)	-	-	-	54,920	(6,684)	-	(2,957)	(140,204)
Other Financing Sources												
Transfers in	-	-	73,562	-	-	-	-	-	-	-	-	73,562
Transfers (out)	-	-	-	-	-	-	-	(37,000)	-	(20,099)	-	(57,099)
Total Other Financing Sources	-	-	73,562	-	-	-	-	(37,000)	-	(20,099)	-	16,463
Net Change in Fund Balance	(6,294)	15,947	-	(121,574)	-	-	-	17,920	(6,684)	(20,099)	(2,957)	(123,741)
Fund Balance-beginning of period	22,092	14,263	(53,749)	144,863	4,901	-	(5,581)	54,886	-	20,099	6,879	208,653
Fund Balance-end of period	$ 15,798	$ 30,210	$ (53,749)	$ 23,289	$ 4,901	$ -	$ (5,581)	$ 72,806	$ (6,684)	$ (0)	$ 3,922	$ 84,912

DECATUR COUNTY, GEORGIA
Law Library - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fees From Courts	$ 16,000	$ 16,000	$ 4,102	$ (11,898)
Total Revenues	16,000	16,000	4,102	(11,898)
Expenditures				
Books & Publications	16,000	16,000	10,396	5,604
Total Expenditures	16,000	16,000	10,396	5,604
Excess (Deficiency) of Revenues Over Expenditures	-	-	(6,294)	(6,294)
Other Financing Sources				
Operating Transfers In	-	-	73,562	73,562
Total Other Financing Sources	-	-	73,562	73,562
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	67,268	67,268
Fund Balance-beginning of period	22,092	22,092	22,092	-
Fund Balance-end of period	$ 22,092	$ 22,092	$ 15,798	$ (6,294)

DECATUR COUNTY, GEORGIA
Confiscated Assets - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Confiscated Assets	$ 5,000	$ 24,400	$ 24,429	$ 29
Interest	20	10	10	-
Total Revenues	5,020	24,410	24,439	29
Expenditures				
Public Safety	5,000	8,520	8,492	28
Total Public Safety Expenditures	5,000	8,520	8,492	28
Excess (Deficiency) of Revenues Over Expenditures	20	15,890	15,947	57
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	20	15,890	15,947	57
Fund Balance-beginning of period	14,263	14,263	14,263	-
Fund Balance-end of period	$ 14,283	$ 30,153	$ 30,210	$ 57

DECATUR COUNTY, GEORGIA
E-911 - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Local Government Units (Grady County)	$ 450,000	$ 450,000	$ 393,460	$ (56,540)
E-911 Charges	450,000	450,000	438,204	(11,796)
Total Revenues	900,000	900,000	831,664	(68,336)
Expenditures				
Operating Expenditures	935,861	935,861	905,226	30,635
Total Expenditures	935,861	935,861	905,226	30,635
Excess (Deficiency) of Revenues Over Expenditures	(35,861)	(35,861)	(73,562)	(37,701)
Other Financing Sources				
Operating Transfers In	35,861	35,861	73,562	37,701
Total Other Financing Sources	35,861	35,861	73,562	37,701
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	-	-
Fund Balance - beginning of period	(53,749)	(53,749)	(53,749)	-
Fund Balance - end of period	$ (53,749)	$ (53,749)	$ (53,749)	$ -

DECATUR COUNTY, GEORGIA
CDBG EIP - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
EIP Principal Payment	$ 74,757	$ 85,000	$ 84,983	$ (17)
Interest income	6,439	7,500	7,443	(57)
Total Revenues	81,196	92,500	92,426	(74)
Expenditures				
Operating Expenditures	81,196	214,500	214,000	500
Total Expenditures	81,196	214,500	214,000	500
Excess (Deficiency) of Revenues Over Expenditures	-	(122,000)	(121,574)	426
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	(122,000)	(121,574)	426
Fund Balance - beginning of period	144,863	144,863	144,863	-
Fund Balance - end of period	$ 144,863	$ 22,863	$ 23,289	$ 426

DECATUR COUNTY, GEORGIA
Victim's Assistance - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ 82,000	$ 82,000	$ 51,651	$ (30,349)
Total Revenues	82,000	82,000	51,651	(30,349)
Expenditures				
Victim services payments	82,000	82,000	51,651	30,349
Total Expenditures	82,000	82,000	51,651	30,349
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
Creek Indian Project
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ -	$ 2,700	2,684	$ (16)
Total Revenues	-	2,700	2,684	(16)
Expenditures				
General Government	-	2,700	2,684	16
Total Expenditures	-	2,700	2,684	16
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
Recovery Act - JAG - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ -	$ 8,993	$ 8,993	$ -
Total Revenues	-	8,993	8,993	-
Expenditures				
Public Safety	-	8,993	8,993	-
Total Expenditures	-	8,993	8,993	-
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, 2014

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fines and forfeitures	$ 37,000	$ 37,000	$ 54,621	$ 17,621
Interest income	-	-	299	299
Total Revenues	37,000	37,000	54,920	17,920
Expenditures				
Payments to other agencies	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	37,000	37,000	54,920	17,920
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	-	-	17,920	17,920
Fund Balance - beginning of period	54,886	54,886	54,886	-
Fund Balance - end of period	$ 54,886	$ 54,886	$ 72,806	$ 17,920

DECATUR COUNTY, GEORGIA
Lake Decatur Fund - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures				
Culture and recreation	-	6,700	6,684	16
Total Expenditures	-	6,700	6,684	16
Excess (Deficiency) of Revenues Over Expenditures	-	(6,700)	(6,684)	16
Other Financing Sources				
Operating Transfers (Out)	-	-	-	-
Total Other Financing Sources	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	(6,700)	(6,684)	16
Fund Balance - beginning of period	-	-	-	-
Fund Balance - end of period	$ -	$ (6,700)	$ (6,684)	$ 16

DECATUR COUNTY, GEORGIA
Telecommunications Reserve Fund - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Contributions & donations	$ -	$ -	$ -	$ -
Interest Income	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Housing and Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Other Financing Sources				
Operating Transfers In (General Fund)	-	(20,099)	(20,099)	-
Unreserved, reported in non-major:	-	(20,099)	(20,099)	-
Excess (Deficiency) of Revenues and Unreserved, reported in non-major : Expenditures and Other Uses	-	(20,099)	(20,099)	-
Fund Balance - beginning of period	20,099	20,099	20,099	-
Fund Balance - end of period	$ 20,099	$ -	$ -	$ -

DECATUR COUNTY, GEORGIA
Decatur County Prison Account - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Charges for services	$ 200,000	$ 200,000	$ 164,907	$ (35,093)
Interest Income	-	-	1	1
Total Revenues	200,000	200,000	164,908	(35,092)
Expenditures				
Public Safety	200,000	200,000	167,865	32,135
Total Expenditures	200,000	200,000	167,865	32,135
Excess (Deficiency) of Revenues Over Expenditures	-	-	(2,957)	(2,957)
Excess (Deficiency) of Revenues and Unreserved, reported in non-major : Expenditures and Other Uses	-	-	(2,957)	(2,957)
Fund Balance - beginning of period	6,879	6,879	6,879	-
Fund Balance - end of period	$ 6,879	$ 6,879	$ 3,922	$ (2,957)

DECATUR COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED June 30, 2014

FIDUCIARY FUNDS

DECATUR COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Fiscal Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
MAGISTRATE'S COURT				
Assets				
Cash	$ 900	$ 471,031	$ 470,927	$ 1,004
Total Assets	$ 900	$ 471,031	$ 470,927	$ 1,004
Liabilities				
Due to other funds & agencies	$ 211	$ 118,883	$ 118,883	$ 211
Due to others	689	352,148	352,044	793
Total Liabilities	$ 900	$ 471,031	$ 470,927	$ 1,004
CLERK OF THE COURTS				
Assets				
Cash	$ 82,661	$ 1,320,608	$ 1,288,194	$ 115,075
Total Assets	$ 82,661	$ 1,320,608	$ 1,288,194	$ 115,075
Liabilities				
Due to other funds and agencies	$ 73,768	$ 1,183,530	$ 1,144,655	$ 112,643
Due to others	8,893	137,078	143,539	2,432
Total Liabilities	$ 82,661	$ 1,320,608	$ 1,288,194	$ 115,075
TAX COMMISSIONER				
Assets				
Cash	$ 659,068	$ 22,110,642	$ 21,841,522	$ 928,188
Receivables	579,716	21,187,595	21,228,825	538,486
Total Assets	$ 1,238,784	$ 43,298,237	$ 43,070,347	$ 1,466,674
Liabilities				
Due to other funds and agencies	$ 687,272	$ 42,679,866	$ 42,077,590	$ 1,289,548
Due to others	551,512	618,371	992,757	177,126
Total Liabilities	$ 1,238,784	$ 43,298,237	$ 43,070,347	$ 1,466,674
PROBATE COURT				
Assets				
Cash	$ 206	$ 98,222	$ 98,311	$ 117
Total Assets	$ 206	$ 98,222	$ 98,311	$ 117
Liabilities				
Due to other funds and agencies	$ 206	$ 98,222	$ 98,311	$ 117
Total Liabilities	$ 206	$ 98,222	$ 98,311	$ 117
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	$ 742,835	$ 24,000,503	$ 23,698,954	$ 1,044,384
Receivables	579,716	21,187,595	21,228,825	538,486
Total Assets	$ 1,322,551	$ 45,188,098	$ 44,927,779	$ 1,582,870
Liabilities				
Due to other funds and agencies	$ 761,457	$ 44,080,501	$ 43,439,439	$ 1,402,519
Due to others	561,094	1,107,597	1,488,340	180,351
Total Liabilities	$ 1,322,551	$ 45,188,098	$ 44,927,779	$ 1,582,870

DECATUR COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED June 30, 2014

INTERNAL SERVICE FUNDS

DECATUR COUNTY, GEORGIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Assets			
Current Assets:			
Cash on hand and in banks	$ -	$ 3,846	$ 3,846
Prepaid insurance	246,541	-	246,541
Due from other funds	7,466,651	-	7,466,651
Total current assets	7,713,192	3,846	7,717,038
Noncurrent assets:			
Property, plant & equipment (net of accumulated depreciation)	69,366	-	69,366
Total noncurrent assets	69,366	-	69,366
Total Assets	7,782,558	3,846	7,786,404
Liabilities			
Current liabilities:			
Accounts payable	90,781	-	90,781
Accrued expenses	11,912	-	11,912
Due to other funds	7,952,565	645,032	8,597,597
Total current liabilities	8,055,258	645,032	8,700,290
Total Liabilities	8,055,258	645,032	8,700,290
Net Position			
Investment in capital assets	69,366	-	69,366
Unrestricted	(342,066)	(641,186)	(983,252)
Total Net Position (deficit)	$ (272,700)	$ (641,186)	$ (913,886)

DECATUR COUNTY, GEORGIA
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Operating Revenues			
Charges for services	$ 1,947,039	$ 1,804,393	$ 3,751,432
Total Operating Revenue	1,947,039	1,804,393	3,751,432
Operating Expenses			
Personal services	298,416	-	298,416
Services and supplies	1,645,430	1,871,944	3,517,374
Depreciation	3,700	-	3,700
Total Operating Expense	1,947,546	1,871,944	3,819,490
Operating Income (Loss)	(507)	(67,551)	(68,058)
Nonoperating Revenues (Expenses)			
Interest earned	-	8	8
Change in net position	(507)	(67,543)	(68,050)
Net position (deficit) - beginning of year	(272,193)	(573,643)	(845,836)
Net position (deficit) - end of year	$ (272,700)	$ (641,186)	$ (913,886)

DECATUR COUNTY, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Cash flows from Operating Activities			
Cash received from customers	$ 1,947,039	$ 1,804,393	$ 3,751,432
Cash payments to suppliers for goods & services	(1,648,623)	(1,820,664)	(3,469,287)
Cash payments to employees for services	(298,416)	-	(298,416)
Net cash provided (used) by operating activities	-	(16,271)	(16,271)
Cash flows from Investing Activities			
Interest income	-	8	8
Net cash provided (Used) from investing activities	-	8	8
Net increase (decrease) in cash & cash equivalents	-	(16,263)	(16,263)
Cash & cash equivalents - beginning of year	-	20,109	20,109
Cash & cash equivalents - end of year	$ -	$ 3,846	$ 3,846
Displayed as:			
Cash on hand and in banks	$ -	$ 3,846	$ 3,846
Restricted assets: Cash and investments, at cost	-	-	-
Totals	$ -	$ 3,846	$ 3,846

DECATUR COUNTY, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	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)	$ (507)	$ (67,551)	$ (68,058)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	3,700	-	3,700
Change in Assets & Liabilities:			
(Increase) decrease in prepaid insurance	6,712	-	6,712
Increase (decrease) in accounts payable	(141,697)	-	(141,697)
Increase (decrease) in accrued expenses	-	-	-
(Increase) decrease in due from other funds	131,792	51,280	183,072
Net cash provided (used) by operating activities	$ -	$ (16,271)	$ (16,271)

STATE REPORTING REQUIREMENTS

DECATUR COUNTY, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
For the Fiscal Year Ended June 30, 2014

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		341,334	-	341,334	
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	$ 15,489,387	$ -	$ 15,489,387	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

Expenditures funded with grant proceeds	-
Expenditures reimbursed with grant proceeds from transferred from another fund	-
Transfers out to Landfill Fund	-
Net Adjustments	-
Expenditures and transfers per statements on page 6	$ -

DECATUR COUNTY, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
For the Fiscal Year Ended June 30, 2014

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	$ 1,041,638	$ 193,480	$ 1,235,118	41.17%
Telecomumunications System	2,500,000	2,892,878	-	2,892,878	115.72%
Landfill	3,000,000	3,994,655	-	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	765,118	-	765,118	293.43%
Spec Building	190,000	53,437	3,091	56,528	29.75%
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	3,988,419	25,782	4,014,201	64.75%
Total	$ 17,810,750	$ 13,323,557	$ 222,353	$ 13,545,910	76.05%

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	$ 6,955,008	$ 1,344,431	$ 8,299,439
City of Attapulgus	564,075	291,299	56,309	347,608
City of Climax	342,869	177,063	34,227	211,290
City of Brinson	258,073	133,274	25,762	159,036
Hospital Authority	4,424,115	2,284,700	441,642	2,726,342
Total	$ 19,056,875	$ 9,841,344	1,902,371	$ 11,743,715

Reconciliation to SPLOST Capital Project Fund:	
Expenditures per Schedule above	$ 2,124,724
SPLOST debt service expenditures reported in the Debt Service Fund	(193,489)
Capital expenditures reported in SPLOST fund but paid with Grant Proceeds	470,896
Net Adjustments	277,407
Expenditures and transfers per Statem	$ 2,402,131

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, 2014

	Per Audited Financials	Per Local Revolving Loan Semi-Annual Report
Assets		
Cash	$ 23,289	$ 23,289
Notes receivable	521,222	521,222
Total Assets	$ 544,511	$ 544,511
Liabilities and equity	$ 544,511	$ 544,511

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2014

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:			$ 137,213
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:			$ 300,992
8	Total Line 3 plus Line 7 (should equal UCOA Revenue Source 34.2500)			$ 438,204
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			$ 393,460
	_____			$ _____
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 local government should be reported on Line 25 and not included here.			

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2014

Line No.		O.C.G.A. Reference:	
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
12	Total Revenues (total of all amounts reported on Lines 8 through 11)		$ 831,664
	Expenditures (UCOA Activity 3800)		
13	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	_____		$ _____
	_____		$ _____
	_____		$ _____
14	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
14a	Lease costs	46-5-134(f)(1)	$ _____
14b	Purchase costs	46-5-134(f)(1)	$ -
14c	Maintenance costs	46-5-134(f)(1)	$ _____
15	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(2)	$ _____
16	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system: Number of employees classified as: Full time 15 Part time 3		
16a	Salaries and wages	46-5-134(f)(3)	$ 476,299
16b	Employee benefits	46-5-134(f)(3)	$ 135,303
17	Cost of training of employees who work as dispatchers	46-5-134(f)(3)	$ 631
18	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(4)	$ 8,279
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, 2014

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)	$ 3,034
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		$ 15,300
	Postage		$ 37
	Travel		$ 3,311
	Dues and subscriptions		$ 119
	Contractual Services		$ 181,138
	Energy		$ 12,900
	Administrative cost - paid with resources transferred from General Fund		$ 58,253
	Other costs and services		$ 10,622
24	Total Expenditures (total of all amounts reported on Lines 13 through 23 above)		$ 905,226
25	Transfers From Other Funds (identify by fund)		
	General Fund - in an amount equal to administrative cost		$ 73,562
			$
26	Transfers To Other Funds (identify by fund)		
			$
			$
27	Proceeds from Capital Lease (identify by asset class and, if equipment, purpose)		

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2014

Line No.		O.C.G.A. Reference:	
	_____		$ -
	_____		$
28	Net Change in Fund Balance (Line 12 - Line 24 + Line 25 - Line 26 + Line 27)		$ -
29	Fund Balance - Beginning of Year		$ (53,749)
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 December 23, 2014

Print Name of Chief Elected Official Frank Loeffler

Title of Chief Elected Official Commission Chairman

Signature of Chief Financial Officer _____ Date December 23, 2014

Print Name of Chief Financial Officer Michelle West

DECATUR COUNTY, GEORGIA
Community Development Block Grant
Source and Application of Funds Schedule

Grant # 11P-Y-043-1-5368

June 30, 2014

Total Program Year 2014 funds allocated to recipient	$ 495,363
Less: Total Program Year 2014 funds drawn down by recipient	-
Funds still available from Program Year 2014 Resources	$ 495,363
Total Program Year 2014 funds held at Fiscal Year-End	$ -
Total Program Year 2014 funds drawn down and received by recipient	-
Less: Funds applied and expended to Program Year 2014 costs	-
TOTAL PROGRAM YEAR 2014 FUNDS HELD BY RECIPIENT	$ -

DECATUR COUNTY, GEORGIA
Community Development Block Grant
Budget to Actual Funds Schedule

June 30, 2014

Grant # 11P-Y-043-1-5368

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Current Period Expenditures	Prior Perid Expenditures	Grand Total Expenditures to Date	Questioned Costs
Acquisition of Property	001-00	$ 20,000	$ -	$ -	$ -	$ -
Street Improvements	03k-01	417,515	-	-	-	-
Flood and Drainage Facilities	03k-02	33,407	-	-	-	-
Contingencies	022-00	24,441	-	-	-	-
TOTAL		$ 495,363	$ -	$ -	$ -	$ -

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
TINA OWENS, CPA
JASON CUNARD

CONSULTANTS:
M. FRANK DELOACH, JR., CPA
DENNY SILVA, P.C., CPA
DOUGLAS THORNTON, CPA
JAMIE B. CURTIS, CPA
TRISH ANDERSON, 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, 2014, 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 December 11, 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

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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
December 11, 2014