Decatur County, Georgia

Report on Examination of Financial Statements

For the Fiscal Year Ended
June 30, 2016

DECATUR COUNTY, GEORGIA

REPORT ON EXAMINATION

OF

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2016

DECATUR COUNTY, GEORGIA
For The Fiscal Year Ended June 30, 2016
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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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 did not audit the financial statements of 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), which represents 29.91%, 15.52% and 61.97%, respectively, of the total assets, net position 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 components 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 solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 County'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 County's internal control. Accordingly, we

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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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages I–XIV, 84-86, and 87-90, respectively, 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's basic financial statements. The accompanying schedule of expenditures of Special Purpose Local Option Sales Tax proceeds (pages 109-110) 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 financial statements and schedules on pages 91-108, Community Development Block Grant schedules on pages 111-113, and the Annual Report of 911 Expenditures on pages 114-116 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 Special Purpose Local Option Sales Tax proceeds, the Community Development Block Grant schedules and the annual report of 911 expenditures 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule of Special Purpose Local Option Sales Tax proceeds, the Community Development Block Grant schedules and the annual report of 911 expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2017, on our consideration of Decatur County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and

compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Decatur County, Georgia's internal control over financial reporting and compliance.

Coastal CPAs, LLC

Coastal CPAs, LLC
St. Simons Island, Georgia
January 9, 2017

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, 2016. 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 $46,702,363 for its governmental and business-type activities, a decrease of $285,447 from the previous fiscal year.

- Total combined revenues for governmental and business-type activities were $25,992,933.
- Overall expenses were $26,278,380, of which governmental activities were $19,645,387 and business-type activities were $6,632,993.
- As of June 30, 2016, governmental activities' expenses exceeded program revenue, resulting in the use of $17,888,687 in general revenues (primarily taxes).
- In the County's business-type activities, revenues were $5,341,447 and expenses were $6,632,993, for an operating loss of $1,291,546 for 2016. Operating gains for the County's business-type activities are also supplemented by general revenues.
- The General Fund resources available for appropriation were $528,561 less than budgeted and expenditures were $719,454 less than budgeted.
- The combined governmental funds' balance as of June 30, 2016 was $3,881,005, of which the General Fund comprised $2,559,768 the Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Funds comprised $1,149,044, and other governmental funds comprised $172,193.
- The General Fund reported an increase of $1,891,975 in unassigned fund balance to $863,663 from the prior fiscal year. This compares with an unassigned fund balance of $(1,028,312) and a decrease of $5,245,447 in unassigned fund balance for the prior year.
- The net position was restated due to a change in reporting entity as part of the service delivery strategy. This agreement required the county to begin reporting the county prison in an enterprise fund. The net position of the county was decreased for governmental activates and increase for business type activity by $532,630.

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, Golf Course, and Prison are reported here.
- Component units—The County includes three separate legal entities in its report – the Decatur County Health Department, Development Authority of Bainbridge and Decatur County, Hospital Authority of Bainbridge, Decatur County, GA and the Law Library Special Revenue Fund. The Decatur County Health Department, Development Authority of Bainbridge and Decatur County, 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 104. These agency funds' balances are due to other funds, agencies and individuals as of the fiscal year end. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

NET POSITION

The County's combined net position decreased by $285,447 from a year ago—from $46,987,810 to $46,702,363. 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:	2015	2016	2015	2016	2015	2016	2015-2016
Current assets	$ 2,580	$ 4,903	$ 6,537	$ 6,066	$ 9,117	$ 10,969	20.3%
Capital assets- net	32,536	31,029	20,537	23,011	53,073	54,040	1.8%
Total assets	**35,116**	**35,932**	**27,074**	**29,077**	**62,190**	**65,009**	**4.5%**
Deferred Outflow of Resources							
Pension	59	433	3	103	62	536	100.0%
Total Deferred Ouflow of Resources	59	433	3	103	62	536	100.0%
Liabilities:							
Long-term debt outstanding	3,395	3,213	3,613	6,255	7,008	9,468	35.1%
Other liabilities	3,971	4,783	4,285	4,592	8,256	9,375	13.6%
Total liabilities	**7,366**	**7,996**	**7,898**	**10,847**	**15,264**	**18,843**	**23.4%**
Net position:							
Net investment in capital assets	29,141	27,816	16,923	16,756	46,064	44,572	-3.2%
Restricted	2,887	2,642	-	-	2,887	2,642	-8.5%
Unrestricted (deficit)	(4,219)	(2,089)	2,256	1,577	(1,963)	(512)	-73.9%
Total net position *	**$ 27,809**	**$ 28,369**	**$ 19,179**	**$ 18,333**	**$ 46,988**	**$ 46,702**	**-0.6%**

The County's total net position (governmental and business-type activities) was $46,702,363 as of June 30, 2016. The County's unrestricted net position was a negative $600,276 at June 30, 2016; however, $44,571,812 was the net investment in capital assets.

The largest portion of the County's net position reflects its net investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges,). The County uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The total net position of our business-type activities decreased by 4.41% percent to $18,333,092 compared to $19,179,001 in 2015.

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CHANGES IN NET POSITION

The County's total change in net position was a negative $285,447 from the prior fiscal year as a result of a positive $1,093,092 in its governmental activities and a negative $1,378,539 in its business-type activities.

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

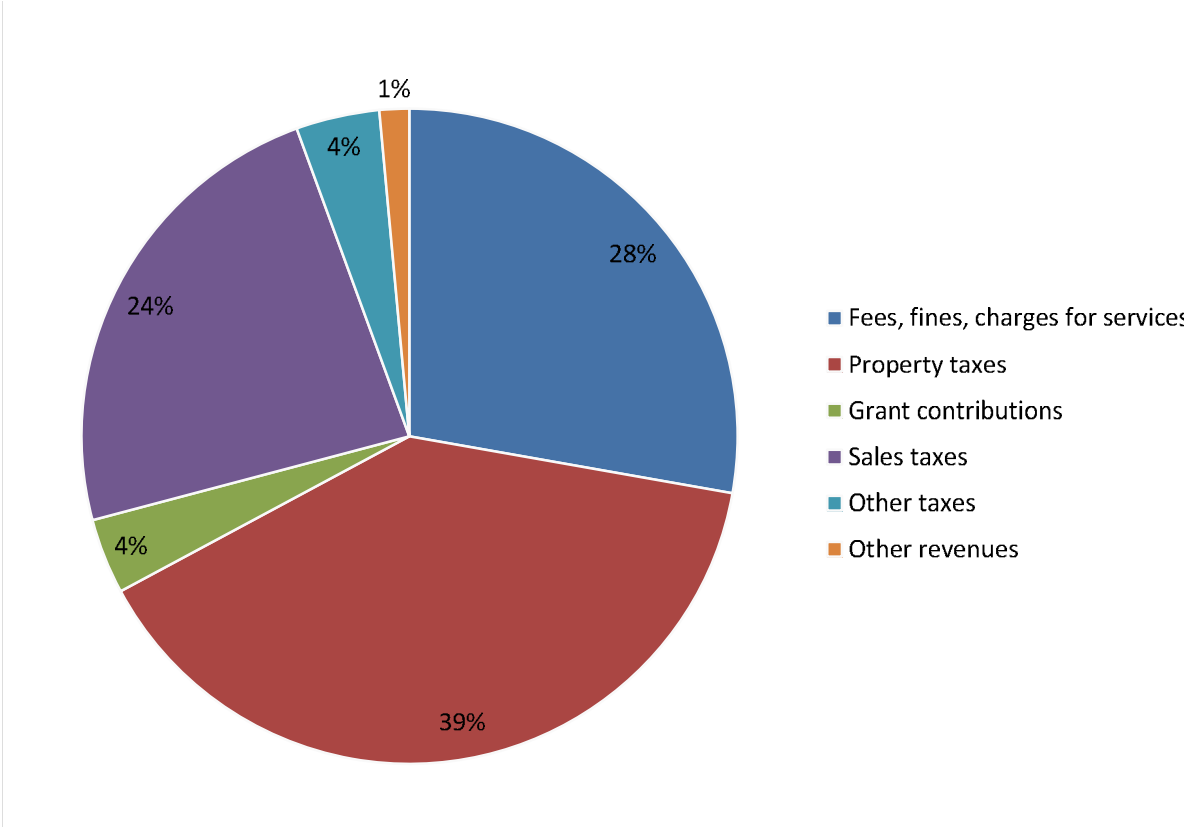
	Governmental Activities		Business Type Activities		Total Primary Government		Total % Change
	2015	2016	2015	2016	2015	2016	2015-2016
Revenues							
Program revenues:							
Charges for services	$ 4,062	$ 2,077	$ 3,572	$ 5,148	$ 7,634	$ 7,225	-5.4%
Operating grants	659	725	-	-	659	725	10.0%
Capital grants	743	48	1,618	193	2,361	241	-89.8%
General revenues:							
Property taxes	10,352	10,227	-	-	10,352	10,227	-1.2%
Other taxes	7,313	7,188	-	-	7,313	7,188	-1.7%
Grants not restricted to specific programs	8	1	-	-	8	1	-87.5%
Investment earnings	63	57	1	4	64	61	-4.7%
Miscellaneous	1,419	333	-	-	1,419	333	-76.5%
Total general / program revenues	**24,619**	**20,656**	**5,191**	**5,345**	**29,810**	**26,001**	**-12.8%**
Program Expense							
General government	1,563	1,476	-	-	1,563	1,476	-5.6%
Judicial	1,557	1,613	-	-	1,557	1,613	3.6%
Public safety	13,739	11,747	-	-	13,739	11,747	-14.5%
Public works	4,454	3,987	3,457	6,633	7,911	10,620	34.2%
Health and welfare	140	133	-	-	140	133	-5.0%
Culture and recreation	251	97	-	-	251	97	-61.4%
Housing and development	467	547	-	-	467	547	17.1%
Interest and fiscal charges	130	45	-	-	130	45	-65.4%
Total program expenses	**22,301**	**19,645**	**3,457**	**6,633**	**25,758**	**26,278**	**2.0%**
Changes in net position before transfers	2,318	1,011	1,734	(1,288)	4,052	(277)	106.8%
Special item	-	97	31	(106)	31	(9)	-129.0%
Transfers	(5,735)	(15)	5,735	15	-	-	-
Changes in net position	**$ (3,417)**	**$ 1,093**	**$ 7,500**	**$ (1,379)**	**$ 4,083**	**$ (286)**	**107.0%**

Depreciation expenses of $3,039,603 were allocated to the governmental and business type activities. $1,881,355 was allocated to the function of governmental activities and $1,158,248 was allocated to the function of business type activities.

As can be seen from the chart following, approximately 39% of the County's combined total revenue is provided by property taxes, 28% by fees, fines, and charges for services, 24% by sales taxes, 4% by other taxes, and the remaining 1% 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, inmate housing/labor and Emergency 911, in addition, the Courts (Superior, State, Probate, Magistrate & Juvenile) impose fines for violations of laws and ordinances.

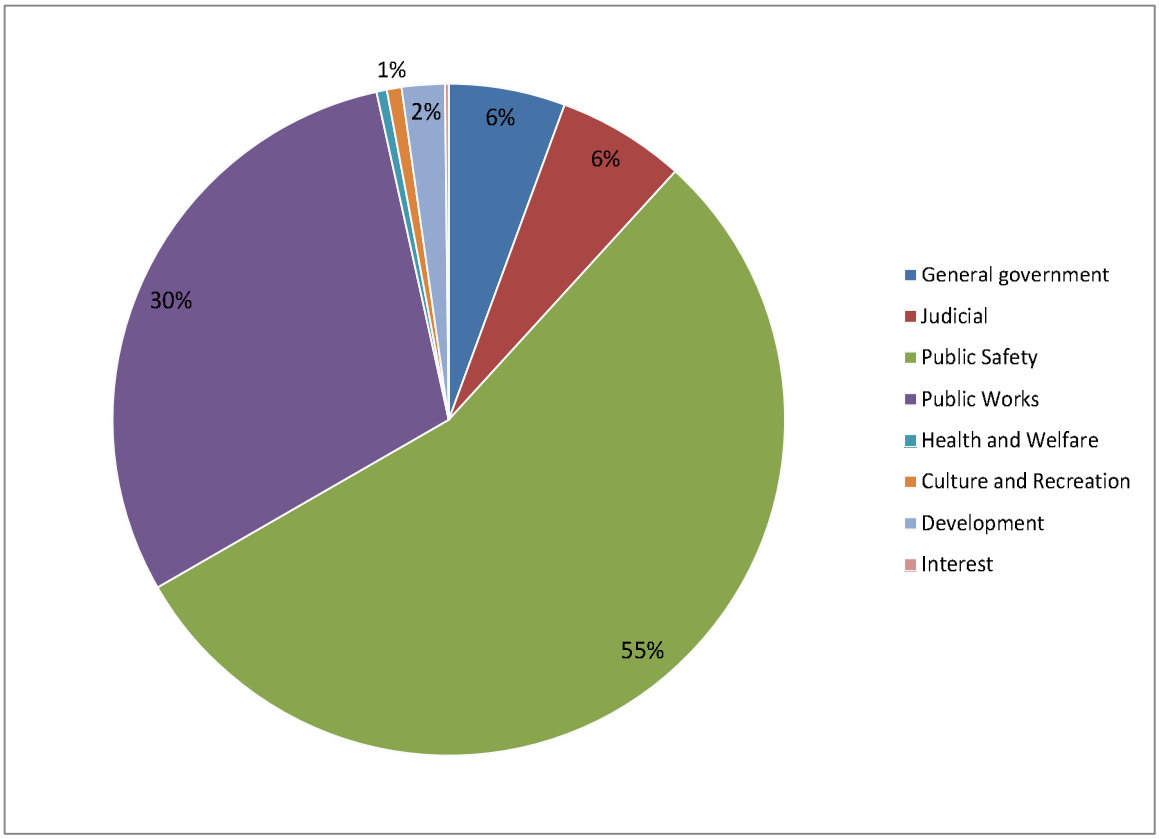
Revenue Sources – FY 2016



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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 2016



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 2016 fiscal year with a balance of $3,881,005 in its governmental funds. Restricted fund balance is made up of $8,568 restricted for legal reference materials, $192,532 restricted for public safety, $190,661 restricted for economic development, and $1,149,044 restricted for other purposes. There is $1,101,659 in the General Fund that is committed to retirement. Unassigned fund balance was $863,663 in the General Fund, and a deficit of $219,568 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 $2,559,768, with a $863,663 listed as unassigned.

The fund balance in the General Fund increased $1,065,744 during FY 2016, primarily due to revenues in exceeding expenditures. Additional information about the General Fund can be found on pages 80-81.

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, 2016.

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

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

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

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

This space intentionally left blank.

SPLOST expenditures during FY 2016 consisted of the following:

Description	SPLOST VI	SPLOST V
County Wide Projects	$ 108,533	$ -
Public Safety	123,200	-
Public Works	46,721	-
Regional Landfill	110,415	-
Vehicle Fleet Upgrade	22,500	-
Recreatio/Debt Service	169,521	-
Industrial Park	3,192	-
Road and Bridge Improvements	-	480
Total	$ 584,082	$ 480
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds		
Total expenditudres from above	$ 584,082	$ 480
Intergovernmental	2,403,499	-
Total expenditures	2,987,581	480
SPLOST Debt Service expenditures	(169,521)	-
Transfers to Prinson Enterprise Fund	(15,000)	-
Grant proceeds expended for road projects	348,323	-
Net Adjustments	163,802	-
Expenditures and transfers per Statements on page 6	$ 3,151,383	$ 480

Additional information on the SPLOST Capital Projects funds can be found on pages 4-7 and pages 109-110.

Other Governmental Funds

Combined assets were $865,456; liabilities $693,263; restricted fund balance was $391,761; unassigned fund balance was a negative $219,568 for the year ended June 30, 2016. 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
- Mandatory Drug Fund
- Decatur County Prison Account
- Jail Fund

Proprietary Funds

The County reports six business-type activities as proprietary funds: Water and Sewer, Natural Gas, Airport, Landfill, Golf Course and Prison. The Water and Sewer, Natural Gas, Airport, Landfill, and Ambulance Service Funds had combined operating losses which totaled $1,389,585. This compares to last year's operating income of Water and Sewer, Natural Gas, Airport, Landfill, and Ambulance Service Funds of $159,221. The operating gains/losses 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 104 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 $1,657,831.

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 cash basis. The actual revenues and expenditures on the cash basis, along with transfers and proceeds from the sale of capital assets, resulted in an excess of $888,049.

Significant variations between the original and final budget amounts were the result of increases and decreases in funding from grantor agencies and increases in fines, fees, charges for services, and miscellaneous revenues. Actual revenues were $528,561 less than budgeted and actual expenditures were $719,454 less than budgeted and other financing sources/uses and special items reflects a positive $696,926 variance resulting in the increase in unassigned financial resources of $887,819.

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, 2016, amounts to $54,039,783 net of accumulated depreciation of $48,949,478. 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 $1,507,603 for governmental activities and increased $2,474,743 for business-type activities. Depreciation expense for the period was $3,039,603, of which $792,623 was for infrastructure. Additional information on Capital Assets can be found in Note 4 of the Notes to the Financial Statements, on pages 30-31.

Long-term Debt

As of June 30, 2016, Decatur County had $13,157,548 in outstanding long-term debt principal, of which $1,363,341 is due within one year. $855,576 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 $159,579. 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 $34,117. The landfill fund has an accrued liability of $769,375 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 $2,920,202 for closure and post-closure costs for the new landfill, which was opened shortly after the old landfill was closed and is currently in use. The County is of the opinion that future net resources of the landfill fund will be able to service this liability.

The Commissioners annually adopt a balanced budget, set the millage rate to provide general revenues to cover the costs of all County programs that are not covered by specific program revenues, maintain an adequate unassigned general fund balance, and adopt such financial policies as enhance their ability to maintain a safe and sound financial structure for the County. Additional information about the County's long-term debt can be found in Note 5 of the Notes to the Financial Statements, beginning on page 33.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2016 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, 2016

	Governmental Activities	Business-Type Activities	Total	Total Component Units
ASSETS				
Cash on hand and in banks	$ 6,679,647	$ 848,361	$ 7,528,008	$ 1,272,492
Pooled cash	125	-	125	-
Receivable (net, where applicable, of allowances for uncollectible):				
Taxes	264,369	-	264,369	-
Accounts	141,204	378,511	519,715	6,271,955
Other	393,745	-	393,745	1,751,318
Internal balances	(4,288,745)	4,288,745	-	-
Due from other governments	1,677,785	543,865	2,221,650	149,821
Inventory, at cost	15,775	-	15,775	438,406
Prepaid expenses	19,670	6,794	26,464	419,040
Restricted assets	-	-	-	1,160,786
Land and construction in progress	6,360,626	2,879,195	9,239,821	-
Other capital assets, net of depreciation	24,668,135	20,131,828	44,799,963	16,272,181
Total Assets	35,932,336	29,077,299	65,009,635	27,735,999
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow of resources-pension	433,427	103,082	536,509	129,136
Total Deferred Outflows of Resources	433,427	103,082	536,509	129,136
LIABILITIES				
Accounts payable and accrued expenses	172,316	95,746	268,062	4,594,960
Accrued liabilities	469,852	119,840	589,692	3,714,784
Unearned revenue	1,252,674	-	1,252,674	-
Short-term debt	-	-	-	1,435,732
Long-term liabilities:				
Portion due and payable within one year:				
Capital leases, notes and bonds payable	755,174	608,166	1,363,340	575,896
Portion due and payable after one year:				
Capital leases, notes and bonds payable	2,457,715	5,646,916	8,104,631	8,028,947
Net Pension Liability	2,888,761	687,044	3,575,805	795,168
Accrued closure/postclosure costs	-	3,689,577	3,689,577	-
Compensated absences payable	-	-	-	66,767
Total Liabilities	7,996,492	10,847,289	18,843,781	19,212,254
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow of resources-pension	-	-	-	72,393
Total Deferred Inflows of Resources	-	-	-	72,393
NET POSITION				
Net investment in capital assets	27,815,872	16,755,941	44,571,813	7,667,338
Restricted for:				
Other projects	1,540,805	-	1,540,805	-
Other purposes	1,101,659	-	1,101,659	474,458
Debt service	-	88,363	88,363	-
Nursing home patients	-	-	-	44,333
Unrestricted	(2,089,065)	1,488,788	(600,277)	394,359
Total net position	$ 28,369,271	$ 18,333,092	$ 46,702,363	$ 8,580,488

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

DECATUR COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2016

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	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total	Component Units
Governmental:								
General Government	$ 1,476,000	$ 74,243	$ -	$ -	$ (1,401,757)		$ (1,401,757)	
Judicial	1,613,147	830,994	88,434	-	(693,719)		(693,719)	
Public Safety	11,746,639	850,831	579,202	-	(10,316,606)		(10,316,606)	
Public Works	3,987,211	313,251	7,521	47,858	(3,618,581)		(3,618,581)	
Health and Welfare	132,991	-	-	-	(132,991)		(132,991)	
Culture and Recreation	97,281	-	-	-	(97,281)		(97,281)	
Housing and Development	547,036	7,638	49,820	-	(489,578)		(489,578)	
Interest on long-term debt	45,082	-	-	-	(45,082)		(45,082)	
Total governmental activities	19,645,387	2,076,957	724,977	47,858	(16,795,595)		(16,795,595)	
Business-type:								
Water and Sewer	517,066	235,401	-	133,612	-	$ (148,053)	(148,053)	
Natural Gas	256,240	285,377	-	-	-	29,137	29,137	
Airport	694,666	403,006	-	59,417	-	(232,243)	(232,243)	
Golf Course	87,668	-	-	-	-	(87,668)	(87,668)	
Landfill	2,391,849	2,265,344	-	-	-	(126,505)	(126,505)	
Prison	2,685,504	1,959,290	-	-	-	(726,214)	(726,214)	
Total business-type activities	6,632,993	5,148,418	-	193,029	-	(1,291,546)	(1,291,546)	
Total primary government	$ 26,278,380	$ 7,225,375	$ 724,977	$ 240,887				
Component units:								
Hospital Authority of Bainbridge and Decatur County	$ 46,601,941	$ 39,685,761	$ -	$ -				$ (6,916,180)
Development Auth. Bdge & Dec. Co.	362,930	34,800	62,225	-				(265,905)
Decatur County Health Department	1,697,261	476,994	1,297,133	-				76,866
Total component units	$ 48,662,132	$ 40,197,555	$ 1,359,358	$ -				(7,105,219)

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

DECATUR COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2016

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Changes in Net position:				
Net (expenses) revenue (Page 2)	(16,795,595)	(1,291,546)	(18,087,141)	(7,105,219)
General revenues:				
Taxes				
Property taxes, levied for general purposes	10,227,474	-	10,227,474	212,396
Sales taxes	6,121,097	-	6,121,097	500,371
Intangible taxes	106,267	-	106,267	-
Insurance premium tax	745,320	-	745,320	-
Other general taxes	215,595	-	215,595	-
Grants not restricted to specific programs	1,211	-	1,211	-
Investment earnings	56,849	4,034	60,883	-
Miscellaneous	332,608	-	332,608	71,586
Special item - sale of capital assets	97,266	(106,027)	(8,761)	17,160
Transfers	(15,000)	15,000	-	-
Total general revenues, extraordinary items, and transfers	17,888,687	(86,993)	17,801,694	801,513
Change in net position	1,093,092	(1,378,539)	(285,447)	(6,303,706)
Net position - beginning - as previously reported	27,808,809	19,179,001	46,987,810	14,884,194
Prior period adjustment-Change in Reporting Entity	(532,630)	532,630	-	-
Net position - beginning - as restated	27,276,179	19,711,631	46,987,810	14,884,194
Net position - ending	$ 28,369,271	$ 18,333,092	$ 46,702,363	$ 8,580,488

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

DECATUR COUNTY, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Debt Service Fund	SPLOST 6	SPLOST 5	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 4,460,912	$ -	$ 1,866,864	$ -	$ 320,674	$ 6,648,450
Taxes receivable, net	264,369	-	-	-	-	264,369
Due from other funds	4,674,087	-	-	-	90,784	4,764,871
Receivable from other governments	857,584	-	745,124	-	75,077	1,677,785
Other receivables	19,991	-	-	-	378,921	398,912
Inventories	15,775	-	-	-	-	15,775
Total assets	$ 10,292,718	$ -	$ 2,611,988	$ -	$ 865,456	$ 13,770,162
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 133,161	$ -	$ -	$ -	$ 7,178	$ 140,339
Due to other agencies	6,989,438	-	578,671	-	283,830	7,851,939
Unearned revenue	-	-	884,273	-	368,401	1,252,674
Other accrued expenses	388,401	-	-	-	33,854	422,255
Other payables	29,397	-	-	-	-	29,397
Total liabilities	7,540,397	-	1,462,944	-	693,263	9,696,604
Deferred Inflows of Resources						
Unavailable Revenues-Property Taxes	192,553	-	-	-	-	192,553
Total Deferred Inflows of Resources	192,553	-	-	-	-	192,553
Fund balances:						
Nonspendable:						
Long-Term Interfund Receivable	578,671	-	-	-	-	578,671
Inventories	15,775	-	-	-	-	15,775
Restricted for:						
Legal Reference Materials	-	-	-	-	8,568	8,568
Public Safety	-	-	-	-	192,532	192,532
Economic Development	-	-	-	-	190,661	190,661
Other Purposes	-	-	1,149,044	-	-	1,149,044
Committed to:						
Retirement	1,101,659	-	-	-	-	1,101,659
Unassigned	863,663	-	-	-	(219,568)	644,095
Total fund balances (deficit)	2,559,768	-	1,149,044	-	172,193	3,881,005
Total liabilities, Deferred Outflows of Resources and fund balances	$ 10,292,718	$ -	$ 2,611,988	$ -	$ 865,456	$ 13,770,162

DECATUR COUNTY, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet
to the Statements of Net Position
June 30, 2016

Total fund balance, governmental funds	$	3,881,005
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.		30,966,795
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.		(1,002,858)
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.		192,553
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.		(2,455,334)
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.		(3,212,890)
Net Position of Governmental Activities in the Statement of Net Position	$	28,369,271

DECATUR COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Debt Service Fund	SPLOST 6	SPLOST 5	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 10,309,718	$ -	$ -	$ -	$ -	$ 10,309,718
Sales and miscellaneous taxes	3,075,172	169,521	3,883,722	-	-	7,128,415
Fees and fines	776,095	-	-	-	56,601	832,696
Licenses and permits	75,758	-	-	-	-	75,758
Intergovernmental	177,147	-	349,709	-	625,509	1,152,365
Charges for services	265,896	-	-	-	599,072	864,968
Investment earnings	50,018	-	6,414	33	2,565	59,030
Miscellaneous	127,207	-	-	-	40,222	167,429
Contributions and donations	645	-	-	-	-	645
Total Revenues	14,857,656	169,521	4,239,845	33	1,323,969	20,591,024
EXPENDITURES						
Current:						
General Government	1,299,031	-	-	-	22,882	1,321,913
Judicial	1,548,749	-	-	-	-	1,548,749
Public Safety	7,209,458	-	-	-	1,244,281	8,453,739
Public Works	2,513,405	-	-	-	-	2,513,405
Health and Welfare	111,393	-	-	-	-	111,393
Culture and Recreation	12,768	-	-	-	-	12,768
Housing and Development	416,676	-	-	-	-	416,676
Intergovernmental	-	-	2,403,499	-	-	2,403,499
Capital Outlay						
Judicial	4,015	-	-	-	-	4,015
Public Safety	458,915	-	-	-	-	458,915
Public Works	192,765	-	747,883	480	-	941,128
Debt Service:						
Principal	503,164	158,752	-	-	66,173	728,089
Interest and other charges	22,876	10,769	-	-	11,437	45,082
Total Expenditures	14,293,215	169,521	3,151,382	480	1,344,773	18,959,371
Excess (deficiency) of revenues over expenditures	564,441	-	1,088,463	(447)	(20,804)	1,631,653
OTHER FINANCING SOURCES (USES)						
Proceeds from capital leases	545,775	-	-	-	-	545,775
Transfers in	-	-	-	1,402,056	107,442	1,509,498
Transfers out	(107,442)	-	(1,417,056)	-	-	(1,524,498)
Total other financing sources (uses)	438,333	-	(1,417,056)	1,402,056	107,442	530,775
SPECIAL ITEM						
Proceeds from sale of assets	62,970	-	-	-	-	62,970
Net change in fund balances	1,065,744	-	(328,593)	1,401,609	86,638	2,225,398
Fund Balances (deficit) - beginning	1,494,024	-	1,477,637	(1,401,609)	85,555	1,655,607
Fund balances (deficit) - ending	$ 2,559,768	$ -	$ 1,149,044	$ -	$ 172,193	$ 3,881,005

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, 2016

Net change in fund balances - total governmental funds:	$	2,225,398
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 $1,881,355 exceeded capital outlays $906,382 in the current period.		(974,973)
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.		37,931
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.		182,314
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.		
Prepaid Insurance		(18,731)
Net Pension liability		(737,046)
Deferred Outflows-Pension		374,498
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.		3,701
Change in net position of governmental activities	$	1,093,092

DECATUR COUNTY, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities-Enterprise Funds							
	Water and Sewer	Natural Gas	Airport	Landfill	Golf Course	Prison	Totals	Internal Service Funds
Assets								
Current Assets:								
Cash on hand and in banks	$ 578,673	$ -	$ 36,914	$ 232,774	$ -	$ -	$ 848,361	$ 31,318
Accounts receivable	35,239	51,628	1,960	280,824	-	8,860	378,511	136,038
Due from other governments	466,305	-	-	-	-	77,560	543,865	-
Prepaid insurance	463	66	199	1,032	-	5,033	6,793	45,993
Due from other funds	784,994	208,391	-	3,901,256	-	-	4,894,641	9,172,700
Total current assets	1,865,674	260,085	39,073	4,415,886	-	91,453	6,672,171	9,386,049
Noncurrent assets:								
Property, plant & equipment (net of accumulated depreciation)	6,636,257	797,182	3,398,821	11,681,472	-	497,291	23,011,023	61,967
Total noncurrent assets	6,636,257	797,182	3,398,821	11,681,472	-	497,291	23,011,023	61,967
Total Assets	8,501,931	1,057,267	3,437,894	16,097,358	-	588,744	29,683,194	9,448,016
Deferred outflow of resources-pension								
Deferred outflow of resources-pension	2,356	1,466	7,409	27,853	-	63,998	103,082	-
Total Deferred outflows of resources	2,356	1,466	7,409	27,853	-	63,998	103,082	-
Liabilities								
Current liabilities:								
Accounts payable	17,489	64	18,075	39,322	60	20,736	95,746	31,974
Accrued expenses	5,590	1,732	7,006	23,631	-	71,578	109,537	18,202
Due to other funds	134,826	24,886	152,774	188,149	5,819	162,098	668,552	10,311,726
Accrued interest-G.E.F.A.	10,303	-	-	-	-	-	10,303	-
Note payable-G.E.F.A.	123,563	-	-	190,505	-	-	314,068	-
Capital leases	-	-	-	294,098	-	-	294,098	-
Total current liabilities	291,771	26,682	177,855	735,705	5,879	254,412	1,492,304	10,361,902
Noncurrent liabilities:								
Note payable-G.E.F.A.	2,993,158	-	-	-	-	-	2,993,158	-
Net pension Obligation	15,718	9,763	49,390	185,638	-	426,535	687,044	-
Accrued closure/postclosure costs	-	-	-	3,689,577	-	-	3,689,577	-
Note payable-G.E.F.A.	-	-	-	1,620,519	-	-	1,620,519	-
Capital leases	-	-	-	1,033,239	-	-	1,033,239	-
Total noncurrent liabilities	3,008,876	9,763	49,390	6,528,973	-	426,535	10,023,537	-
Total Liabilities	3,300,647	36,445	227,245	7,264,678	5,879	680,947	11,515,841	10,361,902
Net Position								
Net investment in capital assets	3,519,536	797,182	3,398,821	8,543,111	-	497,291	16,755,941	61,967
Restricted for debt service	88,363	-	-	-	-	-	88,363	-
Unrestricted	1,595,741	225,106	(180,763)	317,422	(5,879)	(525,496)	1,426,131	(975,853)
Total Net Position	$ 5,203,640	$ 1,022,288	$ 3,218,058	$ 8,860,533	$ (5,879)	$ (28,205)	18,270,435	$ (913,886)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							62,657	
Net position of business-type activities							$ 18,333,092	

DECATUR COUNTY, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds							
	Water and Sewer	Natural Gas	Airport	Landfill	Golf Course	Prison	Totals	Internal Service Funds
Operating Revenues								
Charges for services	$ 235,401	$ 285,377	$ 372,217	$ 2,265,344	$ -	1,959,290	$ 5,117,629	$ 4,040,399
Rental income	-	-	30,789	-	-	-	30,789	-
Total Operating Revenue	235,401	285,377	403,006	2,265,344	-	1,959,290	5,148,418	4,040,399
Operating Expenses								
Personal services	119,285	34,569	138,473	512,186	-	1,804,075	2,608,588	329,450
Services and supplies	210,669	188,489	303,378	831,325	87,668	700,435	2,321,964	3,707,249
Allocated administration cost	95,057	25,838	33,383	158,211	-	130,654	443,143	-
Depreciation	94,965	7,344	219,432	786,167	-	50,340	1,158,248	3,700
Closure post - closure cost	-	-	-	6,060	-	-	6,060	-
Total Operating Expense	519,976	256,240	694,666	2,293,949	87,668	2,685,504	6,538,003	4,040,399
Operating Income (Loss)	(284,575)	29,137	(291,660)	(28,605)	(87,668)	(726,214)	(1,389,585)	-
Nonoperating Revenues (Expenses)								
Intergovernmental	133,612	-	59,417	-	-	-	193,029	-
Interest earned	4,034	-	-	-	-	-	4,034	-
Interest expense	(62,337)	-	-	(32,653)	-	-	(94,990)	-
Total Nonoperating Revenues (Expenses)	75,309	-	59,417	(32,653)	-	-	102,073	-
Net Income before Special Item	(209,266)	29,137	(232,243)	(61,258)	(87,668)	(726,214)	(1,287,512)	-
Special Item - Gain (Loss) on disposal of assets	3,054	-	-	(109,081)	-	-	(106,027)	-
Net Income before Transfers	(206,212)	29,137	(232,243)	(170,339)	(87,668)	(726,214)	(1,393,539)	-
Transfers								
Transfers in	-	-	-	-	81,789	165,379	247,168	-
Transfers out	-	-	-	(232,168)	-	-	(232,168)	-
Net transfers in (out)	-	-	-	(232,168)	81,789	165,379	15,000	-
Change in net position	(206,212)	29,137	(232,243)	(402,507)	(5,879)	(560,835)	(1,378,539)	-
Net position-beginning of the year (originally stated)	5,409,852	993,151	3,450,301	9,263,040	-	-		(913,886)
Prior period adjustment-Change in reporting entity-Prison	-	-	-	-	-	532,630		-
Net position-beginning of year as restated	5,409,852	993,151	3,450,301	9,263,040	-	532,630		(913,886)
Net position - end of year	$ 5,203,640	$ 1,022,288	$ 3,218,058	$ 8,860,533	$ (5,879)	$ (28,205)		$ (913,886)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							-	
Change in net position - business-type activities							$ (1,378,539)	

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, 2016

	Business-Type Activities - Enterprise Funds							
	Water and Sewer	Natural Gas	Airport	Landfill	Golf Course	Prison	Totals	Internal Service Funds
Cash Flows from Operating Activities								
Cash received from customers	$ 241,310	$ 258,602	$ 414,913	$ 2,328,607	$ -	$ 1,872,868	$ 5,116,300	$ 3,927,807
Cash payments to suppliers for goods & services	(969,263)	(73,146)	(210,291)	(1,140,133)	(81,789)	(219,172)	(2,693,794)	(3,633,458)
Cash payments to employees for services	(122,306)	(34,569)	(138,473)	(512,186)	-	(1,804,075)	(2,611,609)	(321,746)
Net cash provided (used) by operating activities	(850,259)	150,887	66,149	676,288	(81,789)	(150,379)	(189,103)	(27,397)
Cash flows from Noncapital Financing Activities								
Transfers in (out)	-	-	-	(232,168)	81,789	150,379	-	-
Net cash provided (used) by noncapital financing activities	-	-	-	(232,168)	81,789	150,379	-	-
Cash Flows from Capital & Related Financing Activities								
Acquisition & construction of capital assets	(1,256,961)	(150,887)	(134,987)	(1,542,527)	-	(15,000)	(3,100,362)	-
Principal paid on revenue bonds & loans	(10,164)	-	-	(189,328)	-	-	(199,492)	-
Interest paid on revenue bonds & loans	(62,337)	-	-	-	-	-	(62,337)	-
Capital Grants	1,205,956	-	91,053	-	-	-	1,297,009	-
Transfers in from SPLOST fund	-	-	-	-	-	15,000	15,000	-
Proceeds from Capital Leases and Gefa NP	1,179,084	-	-	1,918,419	-	-	3,097,503	-
Principal payments - capital leases	-	-	-	(256,176)	-	-	(256,176)	-
Proceeds from sales of timber & other assets	3,054	-	-	(109,081)	-	-	(106,027)	-
Interest paid on capital leases	-	-	-	(32,653)	-	-	(32,653)	-
Net cash provided (used) from Capital and related financing activities	1,058,632	(150,887)	(43,934)	(211,346)	-	-	652,465	-
Cash flows from Investing Activities								
Interest income	4,034	-	-	-	-	-	4,034	-
Net cash provided (Used) from investing activities	4,034	-	-	-	-	-	4,034	-
Net increase (decrease) in cash & cash equivalents	212,407	-	22,215	232,774	-	-	467,396	(27,397)
Cash & cash equivalents - beginning of year	366,266	-	14,699	-	-	-	380,965	58,715
Cash & cash equivalents - end of year	$ 578,673	$ -	$ 36,914	$ 232,774	$ -	$ -	$ 848,361	$ 31,318
Displayed as:								
Cash on hand and in banks	$ 578,673	$ -	$ 36,914	$ 232,774	$ -	$ -	$ 848,361	$ 31,318
Totals	$ 578,673	$ -	$ 36,914	$ 232,774	$ -	$ -	$ 848,361	$ 31,318

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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, 2016

	Business-Type Activities - Enterprise Funds							
Reconciliation of operating income to net cash provided by operating activities	Water and Sewer	Natural Gas	Airport	Landfill	Golf Course	Prison	Totals	Internal Service Funds
Operating income (loss)	$ (284,575)	$ 29,137	$ (291,660)	$ (28,605)	$ (87,668)	$ (726,214)	$ (1,389,585)	$ -
Adjustments to reconcile operating income to net cash provided by operating activities								
Depreciation	94,965	7,344	219,432	786,167	-	50,340	1,158,248	3,700
Change in Assets & Liabilities:								
(Increase) decrease in accounts receivable	5,909	(27,606)	(225)	63,263	-	(86,422)	(45,081)	(112,592)
(Increase) decrease in prepaid insurance	(463)	(66)	(199)	(1,032)	-	(5,033)	(6,793)	-
Increase (decrease) in accounts payable	(242,088)	(49,846)	(26,105)	(42,612)	60	20,736	(339,855)	(25,575)
Increase (decrease) in accrued expenses	(3,021)	831	12,132	103,562	-	434,116	547,620	7,704
(Increase) decrease in due from other funds	(420,986)	191,093	152,774	(204,455)	5,819	162,098	(113,657)	99,366
Net cash provided (used) by operating activities	$ (850,259)	$ 150,887	$ 66,149	$ 676,288	$ (81,789)	$ (150,379)	$ (189,103)	$ (27,397)

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2016

ASSETS

Cash	$ 916,066
Receivables	741,765
Total Assets	$ 1,657,831

LIABILITIES

Due to other agencies	$ 1,437,468
Due to others	220,363
Total Liabilities	$ 1,657,831

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Net Position
Component Units
June 30, 2016

	Hospital Authority of Bainbridge, Decatur County, GA March 31, 2016	Decatur County Health Department June 30, 2016	Development Authority of Bainbridge and Decatur Co. December 31, 2015	Totals
Assets				
Cash	$ 54,822	$ 766,376	$ 451,294	$ 1,272,492
Accounts receivable - less allowance for uncollectible	6,271,955	-	-	6,271,955
Other receivables	44,458	10,333	257,089	311,880
Due from DPH	-	95,734	-	95,734
Due from DCH	-	54,087	-	54,087
Estimated third party payer settlements	1,224,540	-	-	1,224,540
Inventories	438,406	-	-	438,406
Prepaid expenses	419,040	-		419,040
Total current assets	8,453,221	926,530	708,383	10,088,134
Assets limited as to use:				
Internally designated for capital improvements	397,936	-	-	397,936
Internally designated for self-insurance	737,725	-	-	737,725
Restricted by donor for nursing home	25,125	-	-	25,125
Total assets limited as to use	1,160,786	-	-	1,160,786
Property, plant and equipment, net	13,733,851	25,755	2,512,575	16,272,181
Notes receivable	214,898	-	-	214,898
Total assets	23,562,756	952,285	3,220,958	27,735,999
Deferred Outflows	-	129,136	-	129,136
Total assets & deferred outflows	$ 23,562,756	$ 1,081,421	$ 3,220,958	$ 27,865,135
Current liabilities:				
Current installments of long-term debt	$ 513,377	$ -	$ 62,519	$ 575,896
Short-term debt	1,435,732	-	-	1,435,732
Accounts payable, trade	4,564,251	26,530	4,179	4,594,960
Accrued liabilities	3,387,492	5,964	6,328	3,399,784
Estimated third party payer settlement	315,000	-	-	315,000
Total current liabilities	10,215,852	32,494	73,026	10,321,372
Compensated absences	-	66,767	-	66,767
Net Pension Liability	-	795,168	-	795,168
Long-term debt, excluding current installments	7,050,604	-	978,343	8,028,947
	7,050,604	861,935	978,343	8,890,882
Total liabilities	17,266,456	894,429	1,051,369	19,212,254
Deferred Inflows	-	72,393	-	72,393
Total liabilities & deferred inflows	17,266,456	966,822	1,051,369	19,284,647
Net position:				
Net investment in capital assets	6,169,870	25,755	1,471,713	7,667,338
Restricted:				
Nursing home patients	44,333	-	-	44,333
Other Purposes	-	474,458	-	474,458
Unrestricted	82,097	(385,614)	697,876	394,359
Total net position	6,296,300	114,599	2,169,589	8,580,488
Total liabilities, deferred inflows and net position	$ 23,562,756	$ 1,081,421	$ 3,220,958	$ 27,865,135

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, 2016

Activities:	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Hospital Authority	Health Department	Development Authority of Bainbridge and Decatur Co.	Total
Component units:							
Hospital Authority of Bainbridge, Decatur County, Georgia	$ 46,601,941	$ 39,685,761	$ -	$ (6,916,180)	$ -	$ -	$ (6,916,180)
Decatur County Health Department	1,697,261	476,994	1,297,133	-	76,866	-	76,866
Development Authority of Bainbridge and Decatur Co.	362,930	34,800	62,225	-	-	(265,905)	(265,905)
Total component units	$ 48,662,132	$ 40,197,555	$ 1,359,358	(6,916,180)	76,866	(265,905)	(7,105,219)
General Revenues:							
Property taxes				-	-	212,396	212,396
Sales taxes				500,371	-	-	500,371
Other				69,307	-	2,279	71,586
Gain (Loss) on disposal of capital assets				-	-	17,160	17,160
Total General Revenues				569,678	-	231,835	801,513
Change in net position				(6,346,502)	76,866	(34,070)	(6,303,706)
Net position - beginning				12,642,802	37,733	2,203,659	14,884,194
Net position - ending				$ 6,296,300	$ 114,599	$ 2,169,589	$ 8,580,488

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 5 & 6 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.

Prison Fund – This fund accounts for the operation and maintenance of the County's prison.

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.

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

Golf Course Fund – This fund accounts for the operation and maintenance of the County's Golf Course.

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, 2016: 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

As of June 30, 2016, the County does not have an allowance for uncollectable accounts.

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.

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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 Threshold	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, 2016.

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 23, 2015. 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.

N. Deferred Inflows and Outflows of Resources

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. Other than the items related to the changes in the net pension liability as discussed below, the County did not have any items that qualified 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 $192,553 is listed as unavailable and is deferred to be recognized as an inflow of resources in the period that the amounts become available.

The county also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized info pension expense over the expected remaining service lives of plan members. Changes in actuarial assumption which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any

contributions made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Decatur County Board of Commissioners Retirement Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, 2016 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, 2016. 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 State Treasurer, 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, 2016, property taxes were levied on August 12, 2015, and were due and payable at that time. All unpaid taxes levied on August 12, 2015, became delinquent on December 20, 2015, 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, 2016 was as follows:

Governmental Activities:	Beginning Balances	Increases	Decreases	Transfers	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	464,387	383,905	584,346	-	263,946
Total capital assets not being depreciated	6,561,067	383,905	584,346	-	6,360,626
Capital assets being depreciated:					
Automobiles	3,520,367	79,000	-	(225,618)	3,373,749
Buildings	21,418,986	68,300	-	(896,073)	20,591,213
Infrastructure	25,503,964	584,346	-	(15,500)	26,072,810
Camera/security equipment	114,048	-	-	(22,613)	91,435
Computers	173,952	7,500	-	(5,000)	176,452
Capital asset software	52,341	-	-	-	52,341
Cooler	8,820	-	-	-	8,820
Fire equipment	2,803,017	-	-	(5,000)	2,798,017
Food service equipment	209,482	-	-	(82,381)	127,101
Fixtures	213,145	-	-	(168,438)	44,707
Heavy equipment	4,410,153	-	-	-	4,410,153
Laundry equipment	72,259	-	-	(44,999)	27,260
Machinery	740,905	14,667	-	(30,000)	725,572
Radios	1,206,014	353,010	-	(6,255)	1,552,769
Miscellaneous equipment	145,169	-	-	(6,895)	138,274
Office equipment	610,987	-	-	(5,000)	605,987
Total capital assets being depreciated	61,203,609	1,106,823	-	(1,513,772)	60,796,660
Less accumulated depreciation for:					
Automobiles	2,786,549	110,315	-	(137,184)	2,759,680
Buildings	8,785,296	444,784	-	(490,502)	8,739,578
Infrastructure	15,983,596	792,623	-	(11,883)	16,764,336
Camera/security equipment	77,754	7,767	-	(9,422)	76,099
Computers	148,053	15,246	-	(5,000)	158,299
Capital asset software	52,341	-	-	-	52,341
Cooler	8,820	-	-	-	8,820
Fire equipment	2,572,025	33,716	-	(5,000)	2,600,741
Food service equipment	160,880	12,010	-	(70,808)	102,082
Fixtures	200,005	5,025	-	(162,431)	42,599
Heavy equipment	2,889,071	224,456	-	-	3,113,527
Laundry equipment	69,252	-	-	(41,993)	27,259
Machinery	694,375	12,754	-	(30,000)	677,129
Radios	177,654	203,753	-	(6,255)	375,152
Miscellaneous equipment	41,437	12,369	-	(5,664)	48,142
Office equipment	581,204	6,537	-	(5,000)	582,741
Total Accumulated Depreciation	35,228,312	1,881,355	-	(981,142)	36,128,525
Governmental activities capital assets, net	$ 32,536,364	$ (390,627)	$ 584,346	$ (532,630)	$ 31,028,761

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Business-type Activities:	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets not being depreciated:					
Land	$ 1,968,405	$ -	$ -	$ -	$ 1,968,405
Construction in progress	3,605,250	1,910,653	4,605,113	-	910,790
Total capital assets not being depreciated	5,573,655	1,910,653	4,605,113	-	2,879,195
Capital assets being depreciated:					
Buildings	2,299,582	-	-	896,073	3,195,655
Structures & Improvements	19,261,233	4,605,113	-	15,500	23,881,846
Machinery & Equipment	4,312,942	1,547,609	758,962	376,581	5,478,170
Automobile Equipment	153,032	15,000	-	225,618	393,650
Office Furniture & Fixtures	3,459	-	-	-	3,459
Total capital assets being depreciated	26,030,248	6,167,722	758,962	1,513,772	32,952,780
Less accumulated depreciation for:					
Buildings	1,588,942	68,919	-	490,502	2,148,363
Structures & Improvements	6,389,386	788,629	-	11,883	7,189,898
Machinery & Equipment	2,933,816	285,307	386,062	341,574	3,174,635
Automobile Equipment	152,019	15,393	-	137,184	304,596
Office Furniture & Fixtures	3,461	-	-	-	3,461
Total Accumulated Depreciation	11,067,624	1,158,248	386,062	981,143	12,820,953
Business-type activities capital assets being depreciated, net	14,962,624	5,009,474	372,900	532,629	20,131,827
Business-type activities capital assets, net	$ 20,536,279	$ 6,920,127	$ 4,978,013	$ 532,629	$ 23,011,022

Depreciation expense was charged to the governmental functions as follows:

General government	$ 152,279
Public Safety	558,625
Public Works	942,553
Health & Welfare	21,598
Housing & Development	118,096
Recreation	84,504
Internal Service Funds	3,700
Total governmental depreciation recognized in functions	$ 1,881,355

NOTE 5 – LONG-TERM OBLIGATIONS

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, 2016 was $69,420.

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 .52% to be repaid in 240 monthly payments of $14,127. This loan is to be repaid using SPLOST V & VI proceeds. The balance of this note as of June 30, 2016 was $1,984,938.

In 2014, the County entered into a construction loan agreement with the Georgia Environmental Facilities Authority. These proceeds were used to construct cell 4 at the landfill. This loan was converted from constructions status to a fixed amortization loan on March 1, 2015. The principal amount of $957,000 being amortized over 60 months at an interest rate of .62%. The monthly payments of $16,203 started being paid on April 1, 2015. The balance of this note as of June 30, 2016 was $720,523.

On March 10, 2015, the County entered into a construction loan agreement with the Georgia Environmental Facilities Authority. These proceeds were used to construct cell 5 at the landfill. Draws on this loan totaled $1,090,501 as of June 30, 2016 and has not been placed into repayment. The project is expected to cost $2,595,000 at completion.

On May 1, 2016, GEFA loan 2013-L17WJ was converted from construction status to a fixed amortization loan with an annual interest rate of 2.4%. The monthly payments of $16,418 are due on the first of the month beginning June 1, 2016. The principal amount of the loan is $3,126,884 and was used to fund the waste water treatment plant construction. The balance of this note as of June 30, 2016 was $3,116,721.

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Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2016 are as follows:

	Beginning of Year	Increases	Decreases	End of Year	Due within One Year
Governmental activities:					
Capital Lease Obligations	1,149,133	545,775	536,379	1,158,529	561,478
GEFA Note Payable	2,143,691	-	158,751	1,984,940	159,579
USDA Note Payable #2	102,381	-	32,961	69,420	34,117
Sub-total-Governmental activities	3,395,205	545,775	728,091	3,212,889	755,174
Business-type activities:					
Water and Sewer Fund					
GEFA Note Payable	1,947,800	1,179,085	10,164	3,116,721	123,563
Sub-totals-Water & Sewer Fund	1,947,800	1,179,085	10,164	3,116,721	123,563
Landfill Fund					
Accrued closure/postclosure cost-Old Landfill	792,228	-	22,853	769,375	-
Accrued closure/postclosure cost-New Landfill	2,891,289	28,913	-	2,920,202	-
Capital Leases	566,921	1,016,592	256,176	1,327,337	294,098
GEFA Note Payable - Not in repayment	188,674	901,827	-	1,090,501	-
GEFA Note Payable - Cell 4	909,851	-	189,328	720,523	190,505
Sub-total-Landfill Fund	5,348,963	1,947,332	468,357	6,827,938	484,603
Sub-total-Business-type activities	7,296,763	3,126,417	478,521	9,944,659	608,166
Total all long-term debt	$ 10,691,968	$ 3,672,192	$ 1,206,612	$ 13,157,548	$ 1,363,341

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities	Landfill Fund
Machinery and equipment	$ 3,266,431	$ 3,958,595
Less: Accumulated depreciation	(1,937,450)	(1,787,928)
Total	$ 1,328,981	$ 2,170,668
2016 depreciation	$ 223,282	$ 228,015

Debt service requirements on long-term debt at June 30, 2016 are as follows:

	Governmental Activities - Capital Leases		
Year Ending June 30	Principal	Interest	Totals
2017	$ 561,478	$ 22,457	$ 583,935
2018	272,985	12,769	285,754
2019	171,835	7,560	179,395
2020	133,244	3,470	136,714
2021	18,987	131	19,118
Totals	$ 1,158,529	$ 46,387	$ 1,204,916

	Business-Type Activities - Capital Leases		
Year Ending June 30	Principal	Interest	Totals
2017	$ 294,098	$ 25,127	$ 319,225
2018	307,523	19,675	327,198
2019	392,634	12,417	405,051
2020	203,174	5,253	208,427
2021	129,908	1,160	131,068
Totals	$ 1,327,337	$ 63,632	$ 1,390,969

	Governmental Activities - USDA Note Payable #2		
Year Ending June 30	Principal	Interest	Totals
2017	$ 34,117	$ 2,430	$ 36,547
2018	35,303	1,244	36,547
Totals	$ 69,420	$ 3,674	$ 73,094

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	Governmental Funds - GEFA Note - Silver Lake Project		
Ending June 30	Principal	Interest	Totals
2017	$ 159,579	$ 9,942	$ 169,521
2018	160,412	9,110	169,522
2019	161,247	8,274	169,521
2020	162,088	7,433	169,521
2021	162,933	6,588	169,521
2022	163,782	5,739	169,521
2023	164,635	4,885	169,520
2024	165,495	4,027	169,522
2025	166,356	3,166	169,522
2026-2028	518,413	4,277	522,690
Totals	$ 1,984,940	$ 63,441	$ 2,048,381

	Landfill - GEFA - Cell 4 Loan		
Ending June 30	Principal	Interest	Totals
2017	$ 190,505	$ 3,927	$ 194,432
2018	191,689	2,742	194,431
2019	192,881	1,550	194,431
2020	145,448	376	145,824
Totals	$ 720,523	$ 8,595	$ 729,118

	Water & Sewer - GEFA - WWTP		
Ending June 30	Principal	Interest	Totals
2017	$ 123,563	$ 73,448	$ 197,011
2018	126,560	70,450	197,010
2019	129,632	67,379	197,011
2020	132,778	64,233	197,011
2021	136,000	61,011	197,011
2022	139,300	57,711	197,011
2023	142,680	54,331	197,011
2024	146,142	50,868	197,010
2025	149,688	47,322	197,010
2026	153,321	43,690	197,011
2027-2031	824,249	160,804	985,053
2032-2036	912,808	55,826	968,634
Totals	$ 3,116,721	$ 807,073	$ 3,923,794

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The following is a summary of capitalized lease obligations:

Governmental Activities:

Purpose	Original Amount	Payment Amounts	Interest Rate	Payments	Minimum Lease Payments	Net Present Value
Caterpillar Financial Service Corp. Lease-Purchase Contract on 938K SN:SWL03184	$ 172,800	$ 3,050	2.28%	60	$ 128,101	$ 123,011
Deere Credit, Inc. Lease-Purchase Contract on JD 670 G Motor Grader SN: 1DW670GX645607	187,647	3,307	2.30%	60	39,689	39,199
Caterpillar Financial Service Corp. Lease-Purchase Contract on 12M2 Caterpillar Motor Grader SN: F9M00267	67,657	1,193	2.24%	60	27,439	26,834
Suntrust Equipment Finance and Leasing Corp. Lease-Purchase Contract on 911 Communications System Narrowbanding Upgrade SN: 1T0750KXVDE247444	1,500,000	26,161	1.80%	60	366,248	362,161
Bancorp South Equipment Finance. Lease-Purchase Contract on JD 750K Crawler Dozer SN: 1T0750KXVDE247444	53,544	942	2.14%	60	24,487	23,907
Suntrust Equipment Finance and Leasing Corp. Lease-Purchase Contract on 911 Communications System Narrowbanding Upgrade	269,978	4,500	1.80%	60	126,181	123,290
Caterpillar Financial Service Corp. Lease-Purchase Contract on 12M3 Caterprillar Motor Grader SN: N9F00385	114,478	2,022	2.30%	60	105,123	99,963
Motorola Solutions, Inc. Lease Purchase Contract - Radio Equipment	353,010	77,610	3.24%	5	310,441	286,837
Caterpillar Financial Service Corp. Lease-Purchase Contract on 12M3 Caterpillar Motor Grader SN: N9F00479	78,287	1,379	2.19%	60	77,207	73,327
Total Governmental Activities	$ 2,797,401				$ 1,204,916	$ 1,158,529

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Business-type activities:

Purpose	Original Amount	Payment Amounts	Interest Rate	Payments	Minimum Lease Payments	Net Present Value
Landfill:						
Association County Commissioners of Georgia. Lease-Purchase Contract on 2013 Cat. 725 Articulated off-road Dump Truck) contract No . 00001	$ 254,130	$ 5,505	1.92%	48	$ 176,144	$ 171,577
Caterpillar Financial Service Corp. Lease-Purchase Contract on 836 K Caterpillar Landfill Compactor SN: TWZ00558	632,849	11,145	2.19%	60	624,125	592,778
Caterpillar Financial Service Corp. Lease-Purchase Contract on D6N Caterpillar Track Type Tractor SN: PBA02354	165,395	3,171	2.29%	55	145,881	139,508
Caterpillar Financial Service Corp. Lease-Purchase Contract on 336FL Caterpillar Hydraulic Excavator SN: RKB01674	217,848	3,845	2.19%	60	215,336	204,521
BancorpSouth Equipment Finance. Lease-Purchase Agreement on Caterpillar D6T XL Dozer SN: 1355	308,904	3,600	2.25%	61	229,483	218,953
Sub-Total Landfill	1,579,126				1,390,969	1,327,337
Totals Business-Type Activities	$ 1,579,126				$ 1,390,969	$ 1,327,337

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NOTE 6 - INTERFUND BALANCES AND ACTIVITIES

Balances Due to/From Other Funds

Major Funds	Interfund Receivable (Due From)	Interfund Payable (Due To)
Governmental Funds		
General Fund (from SPLOST # 6)	$ 578,671	$ -
General Fund (from Insurance ISF)	428,912	-
General Fund (due to ISF)	9,519,301	8,304,276
General Fund (from Mandatory Drug Fund)	11,875	-
General Fund Operating Activities	72,176	4,985,428
SPLOST Capital Projects Fund # 6 (due to General Fund)	-	578,671
	10,610,935	13,868,375
Proprietary Funds		
Natural Gas Fund (due to ISF)	-	24,886
Natural Gas Fund Operating Activities	208,391	-
Airport Fund (due to ISF)	-	152,774
Prison Fund (due to ISF)	-	162,098
Golf Course (due to ISF)	-	5,819
Landfill Fund (due to ISF)	-	188,149
Landfill Fund Operating Activities	3,901,256	-
Water & Sewer Fund (due to ISF)	-	134,826
Water & Sewer Fund Operating Activities	784,994	-
	4,894,641	668,552
Non-Major Funds		
E-911 SRF (due to ISF)	-	199,872
E-911 SRF Operating Activities	-	66,893
CDBG EIP SRF Operating Activities	-	17
Confiscated Assets SRF Operating Activities	4,852	-
Decatur County Prison SRF Operating Activities	-	5,266
Victim's Assistance SRF Operating Activities	4,895	-
Mandatory Drug Fund (due to General Fund)	-	11,875
Mandatory Drug Fund SRF Operating Activities	77,574	-
Jail Fund SRF Operating Activities	3,466	-
Internal Service Fund (Governmental Funds)	8,504,148	-
Internal Service Fund (Proprietary Funds)	668,552	-
Internal Service Fund Operating Activities	-	9,519,301
Insurance Internal Service Fund (due to General Fund)	-	428,912
	9,263,487	10,232,136
Totals	$ 24,769,063	$ 24,769,063

Entity-wide Inter-fund Balance Reconciliation

Governmental Funds	
Receivables	$ 11,065,235
Payables	(14,152,298)
Netting of Internal Service Fund	(1,201,682)
Internal Balances - Governmental Activities	$ (4,288,745)
Business-Type Funds	
Business-Type Funds Receivables	$ 4,894,641
Business-Type Funds Payables	(668,551)
Netting of Internal Service Fund	62,655
Internal Balances - Business-Type Activities	$ 4,288,745

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 Agencies

Transfers to/from funds at June 30, 2016 consisted of the following:

	Transfer In				
Transfer Out	**SPLOST CPF # 5**	**Non-major SRF**	**Prison Fund**	**Golf Course Fund**	**Total**
General Fund	$ -	$ 107,442	$ -	$ -	$ 107,442
SPLOST CPF Ref, # 6	1,402,056	-	15,000	-	1,417,056
Landfill Fund	-	-	150,379	81,789	232,168
Totals	$ 1,402,056	$ 107,442	$ 165,379	$ 81,789	$ 1,756,666

Governmental Activities:	
Total Transfer Out	$ (1,524,498)
Less: Transfer to	
Major Governmental	1,402,056
Non-major Governmental	107,442
Net Transfers Out	$ (15,000)

Business-Type Activities:		
Total Transfer In	$	247,168
Less: Transfer to Business Type Activities		(232,168)
Net Transfers Out	$	15,000

Transfers of $62,697 were made from the general fund to the E-911 fund to cover the cost of administrative cost associated with that fund. These cost cannot be paid with E-911 restricted resources.

Transfers of $23,061 were made to facilitate the closing of the Eagle Palm Print fund.

Transfers of $6,684 were made to facilitate the closing of the Lake Decatur fund.

Transfers of $15,000 were made to the Prison Enterprise fund to purchase three International Vans.

Transfers between other enterprise funds were to cover cash shortfalls.

NOTE 7 – DEFINED BENEFIT PENSION PLAN

GASB 68 Implementation

Effective July 1, 2014, the County implemented the provisions of GASB 68, as required by the Governmental Accounting Standard Board. In conjunction with the implementation of Government Accounting Standards Board (GASB) No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No.* 27, *as well as Statement No.* 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - and amendment of GASB Statement No. 68,* the County is required to change its accounting treatment of pensions. The new standard establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Implementation of GASB 68 required a prior period adjustment. See Note 16 of the Notes to the Financial Statements.

Plan Description

Effective October 1, 1994, the County participates in the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agency for participating counties in Georgia.

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides for benefits upon

retirement, death, disablement and termination of employment if certain eligibility conditions are met.

Statement of Fiduciary Net Position for the Year Ended December 31, 2015

Market Value of Assets		
Cash & Cash Equivalent.	$	314,886
Bonds		-
Fixed Interest Insurance Account		71,533
Marketable Securities		7,407,462
Total	$	7,793,881
Receivable		
Employer Contributions	$	678,364
Employee Contributions		-
Due From Insurance Pool		-
Accrued Interest Income		9,243
Total	$	687,607
Liabilities		
Administrative Expenses	$	33,645
Accrued Investment Fee		8,235
Accrued Auditing Fees		340
Payable to Insurance Pool		-
Total	$	42,220
Fiduciary Net Position	$	8,439,268

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Statement of Change in Fiduciary Net Position for the Year Ended December 31, 2015

Additions		
Asset transfer	$	-
Employer contributions		678,364
Employee contributions		-
Net investment income		51,996
Employee contribution - buyback -		-
Total additions	$	730,360
Deductions		
Investment expense	$	36,987
Administrative expenses		34,795
Benefit payments		478,436
Post-retirement death benefit expense		5,000
Pre-retirement death benefit expense		36,068
Transfer to successor plans		-
Refund of employee contributions		-
Total deductions	$	591,286
Net increase (decrease) in fiduciary net position	$	139,074
Net position held in trust for pension benefits		
Beginning of year	$	8,300,194
End of year	$	8,439,268
Money weighted rates of return		0.83%

Net Position Restricted for Pension

Fiduciary net position	$	8,439,268
Deferred outflow of resources		1,273,837
Deferred inflow of resources		-
Net position restricted for pensions	$	7,165,431

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Summary of Significant 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.

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

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code set forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual fund requirement.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants.

Board of Trustees

The Trustees for the Association County Commissioners of Georgia (ACCG) Pension Plan and Trust oversees the administration, investment and funding of the Association County Commissioners of Georgia Retirement Program for member employers.

Benefits

General members of the retirement plan are fully vested after 5 years of service. Members are eligible for retirement with full benefits at the age of 65 and 5 years of service, or at the age 55 and 25 years of service. For a benefit reduced early retirement, a member can qualify for early retirement at age 60 and 10 years of service. The accrued benefit is 1.00% of the average annual compensation plus $36 multiplied by years of Service. The average annual compensation is based upon the highest average of the member's compensation over 5 consecutive years during the ten years preceding the members' date of retirement or other termination.

Participant counts of those eligible for benefits as of January 1, 2015, (the most recent actuarial valuation date) and covered compensation (based on coverage earnings for the preceding year) are shown below:

Retirees, beneficiaries and disables receiving benefits	59
Terminated plan members entitled to but not yet receiving benefits	134
Active plan members	174
Total number of plan participants	367
Covered compensation for active participants	$ 6,587,784

Contributions

The annual County contribution to the Plan is determined using the actuarial basis described in the annual valuation report. The annual County contribution meets or exceeds the minimum funding requirements of Georgia Statute 47-20. As of June 30, 2016, the County contributed $678,364 to the plan.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. The amount recognized by the County as the net pension liability was $3,575,805.

Actuarial assumptions. The actuarial assumptions used for the January 1, 2015 valuation was applied to all periods included in the measurement were as follows:

Investment return	7.5% per year
Future salary increases	4.0% per year with an age based scale as follows:

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Age	Salary Increase
Under 30	4.0 rate plus 1.5%
30-39	4.0 rate plus 1.0%
40-49	4.0 rate less .5%
50+	4.0 rate less 1.0%

Future Payroll Growth
(For level percentage compensation amortization): 5.5 % per year

Mortality: RP-2000, Projected with Scale AA to 2016

Asset Projection.

- Projected assets are sufficient to pay all projected benefits promised to current plan participants.
- In projecting plan assets, the assumed contribution was based on the average contribution made to the plan over the prior five years.
- The expected long-term rate of return (7 .50%) was used to discount all projected benefit payments.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income:	30%	25% - 35%
Equities:	70%	65% - 75%
Large Cap	30%	25% - 35%
Mid Cap	5%	2.5% - 10%
Small Cap	5%	2.5% - 10%
REIT	5%	2.5% - 10%
International	15%	10% - 20%
Multi Cap	5%	2.5% - 10%
Global Allocation	5%	2.5% - 10%

Changes in assumptions since prior valuation

The following were changes in assumptions that affected measurement of the total pension liability as of December 31, 2015 since the prior measurement date. The mortality table was changed from RP2000 to RP2000 with Scale AA projection to 2016.

Discount rate.

The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as the forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS.

20-year building blocks return (7.44% x .25):	1.86%
30-year building blocks return (9.49% x .25):	2.37%
UBS capital market assumption for a moderate asset allocation (6.30% x .50):	3.15%
Discount Rate (rounded to the nearest .25%):	7.38%
	7.50%

The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan

investments was applied to all periods projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2014	$ 10,577,825	$ 8,300,194	$ 2,277,631
Changes for the year:			
Service Cost	223,127	-	223,127
Interest	775,396	-	775,396
Liability experience (gain)/loss	507,141	-	507,141
Assumption Change	410,020	-	410,020
Employer Contributions	-	678,364	(678,364)
Employee Contributions	-	-	-
Net Investment Income	-	51,996	(51,996)
Benefit Payments	(478,436)	(478,436)	-
Administrative Expense	-	(34,795)	34,795
Other Changes	-	(78,055)	78,055
Net Changes	1,437,248	139,074	1,298,174
Balance at December 31, 2015	$ 12,015,073	$ 8,439,268	$ 3,575,805

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.5%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	6.50%	7.50%	8.50%
Total Pension Liability	$ 13,656,562	$ 12,015,073	$ 10,655,805
Fiduciary Net Position	8,439,268	8,439,268	8,439,268
Net Pension Liability	$ 5,217,294	$ 3,575,805	$ 2,216,537

Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions

For the year ended December 31, 2015, the County recognized pension expense of $765,079. At June 30, 2016, the County reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Change in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments.	536,511	-
Total	$ 536,511	$ -

Amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	2017	$ 138,026
	2018	138,026
	2019	138,026
	2020	122,433
		$ 536,511

Allocation Method

The net pension liability, contributions and pension expense recognized was allocated between governmental activities and enterprise funds. The allocation method is based upon retirement contributions made during the year from each fund divided by total contributions. The percentage for governmental activities and enterprise funds was applied to the net pension liability and deferred outflows as of June 30, 2016 and for the prior period adjustment.

A copy of additional financial information from the Plan financial reports can be obtained from GEB Corp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

Pensions with Special Funding Situations

The following pension plans are all cost-sharing, multiple employer defined benefit plans. Below is a list of the plans presented:

Employees Retirement System – (ERS)
Georgia Judicial Retirement System - (GJRS)
Sheriffs' Retirement Fund of Georgia - (SRFG)

Judges of the Probate Courts Retirement Fund of Georgia - (JPCRF)
Peace Officers' Annuity and Benefit Fund of Georgia - (POAB)
Superior Court Clerks' Retirement Fund of Georgia – (SCCRF)
Georgia Firefighters' Pension Fund – (GFPF)

The employer contributions are funded by the State on behalf of the local county employer. Since the County does not contribute directly to the plans, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the County. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* requires participating employers and nonemployers contributing entities to recognize their proportional share of collective net pension liability and pension expense. The following table summarizes the proportional share of the collective net pension liability for each of the plan.

	ERS	GJRS	SRFG	JPCRF	POAB	SCCRF	GFPF	**Total**
County's proportionate share of the collective net pension liability	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	**$ 0**
State's proportionate share of the collective net pension liability associated with the County	395,011	(164,889)	138,671	(113,897)	42,525	(75,391)	117,221	**339,251**
Total Net Pension Liability (asset)	$395,011	$(164,889)	$138,671	$(113,897)	$42,525	$(75,391)	$117,221	**$ 339,251**
Pension revenue and expense for State support	$ 13,646	$ (19,698)	$ 9,516	$ 7,373	$ 16,055	$ 18,507	$ 16,157	**$ 61,556**

Sensitivity of the State's proportionate share of the net pension liability to changes in the discount rate. The following presents the State's proportionate share of the net pension liability (asset) calculated using the discount rate in the table, as well as what the State's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or percentage-point higher than the current rate:

		Net Pension Liability (Asset)		
Pension Plan	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
ERS	7.50%	$ 559,943	$ 395,011	$ 254,401

GJRS	7.50%	(43,729)	(164,889)	(270,233)
SRFG	6.50%	211,368	138,671	76,967
JPCRF	7.00%	(75,148)	(113,897)	(147,159)
POAB	7.00%	352,760	42,525	(215,029)
SCCRF	5.25%	(12,597)	(75,391)	(128,255)
GFPF	6.00%	212,740	117,221	38,607

Each plan and fund, including benefit and contribution provisions, was established and can be amended by state law. The following summarizes authorizing legislation and the plan descriptions of each retirement fund:

1. Employees Retirement System (ERS). The ERS was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees' Retirement System of Georgia financial report at www.ers.ga.gov.

Benefits provided. The ERS Plan supports three benefit tiers: Old Plan, New Plan and Georgia State Employees' Pension and Savings Plan (GSEPS). Under these plans, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions. Pursuant to O.C.G.A. 47-2-292(a), the Department of Revenue receives an annual appropriation from the Georgia General Assembly to be used to fund the employer contributions for local county tax commissioners and employees.

The collective net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. An expected total pension liability is determined as of June 30, 2015 using standard roll-forward techniques. The roll forward calculation adds the annual normal cost (also called service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year.

Actuarial assumptions. The collective total pension liability was determined by an actuarial valuation as of June 30, 2014. Using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	5.45-9.25%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the period after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal return, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected rate of return *
Fixed Income	30.00%	3.00%
Domestic large cap equities	39.70	6.50
Domestic mid cap equities	3.70	10.00
Domestic small cap equities	1.60	13.00
International developed market equities	18.90	6.50
International emerging market equities	6.10	11.00
	100.00%	

*Rates shown are net of the 3.0% assumed rate of inflation

Discount rate. The discount rate used to measure the collective total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension

plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. Georgia Judicial Retirement System (GJRS) The GJRS was established by the Georgia General Assembly in 1998 for the purpose of providing retirement allowances for judges and solicitors general of the state courts and juvenile court judges in Georgia, and their survivors and other beneficiaries superior court judges of the state of Georgia, and district attorneys of the state of Georgia. Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees' Retirement System of Georgia financial report that can be obtained at www.ers.ga.gov.

Benefits provided. The normal retirement of GJRS is age 60, with 16 years of creditable service; however, a member may retire at age 60 with a minimum of 10 years of creditable service. Annual retirement benefits paid to members are computed as 66 2/3% of state paid salary at retirement for district attorneys and superior court judges and 66 2/3% of the average over 24 consecutive months for trial judges and solicitors, plus 1% for each year of credited service over 16 years, not to exceed 24 years. Early retirement benefits paid to members are computed as the pro rata portion of the normal retirement benefit, based on service not to exceed 16 years. Death, disability, and spousal benefits are also available.

Contributions. Pursuant to O.C.G.A. 47-23-81 the employer contributions of state court judges and solicitors are funded by the State of Georgia on behalf of the local county employers and pursuant to O.C.G.A 47-23-82 the employer contributions for juvenile court judges are funded by the State on behalf of local county employers.

The collective total net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. An expected total pension liability is determined as of June 30, 2015 using standard roll-forward techniques. The roll forward calculation adds the annual normal cost (also called service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year.
*Actuarial assumptions.*The total pension liability was determined by an actuarial valuation as of June 30, 2013. Using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	6.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the period after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-

2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal return, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected rate of return *
Fixed Income	30.00%	3.00%
Domestic large cap equities	39.70	6.50
Domestic mid cap equities	3.70	10.00
Domestic small cap equities	1.60	13.00
International developed market equities	18.90	6.50
International emerging market equities	6.10	11.00
	100.00%	

*Rates shown are net of the 3.0% assumed rate of inflation

Discount rate. The discount rate used to measure the collective total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

3. Sheriffs' Retirement Fund of Georgia (SRFG): The Sheriffs' Retirement Fund of Georgia (the Fund) was created in 1963 by an act of the Georgia Legislature (the Act) to provide retirement benefits for sheriffs who qualify under the Act. Each of the 159 counties in the state of Georgia has a sheriff who is eligible to be a member of the Fund. Detailed information about the pension plan's fiduciary net position is available in the separately issued Sheriffs' Retirement Fund of Georgia financial report that can be obtained at www.georgiasheriffs.org.

*Benefits provided. S*RFG provides retirement as well as death benefits. Benefit provisions are established by statute and may be amended only by the General Assembly of Georgia. A member must have terminated his or her service as sheriff to receive benefits. The monthly benefit is a single life annuity payable in monthly payments for the life of a member. The maximum monthly payment at June 30, 2015 is equal to $144.39 per month (plus 1/12 of this amount for each month of any partial year) for each full year of creditable service up to a maximum of $4,331.70 per month. The Board of Commissioners is authorized to provide for increases effective as of January 1 and July 1 of each year up to 1 1/2% of the maximum monthly retirement benefit then in effect.

Contributions and Vesting. Normal retirement is at age 55 provided the member has at least four years of credited service as a sheriff after and including January 1, 1961. The credited service requirement is eight years for a sheriff who first or again becomes an active member on or after July 1, 1988. SRFG is funded by member and nonemployer contributing entity contributions. Contribution provisions are established by statue and may be amended only by the General Assembly of Georgia. Member contribution requirements are set forth in Official Code of Georgia Annotated (O.C.G.A.) 47-16-43 and are not actuarially determined. Each member must contribute $45 per month, to be paid no later than the tenth day of each month, with a maximum payment period of thirty years. Nonemployer contributions consist of court fines and forfeitures collected and remitted by the courts directly to SRFG in accordance with O.C.G.A. 47-16-60 and 47-16-61. These court fines and forfeitures are considered to be made by the State of Georgia as the nonemployer contributing entity. For each criminal and quasi-criminal case involving the violation of State of Georgia laws, county ordinances, or municipal ordinances, a sum based upon the scale set forth below is collected and remitted to SRFG. For fines or bond forfeitures in excess of $5, in any court where a sheriff of a superior court acts as a sheriff the fee is $2. In addition, the amounts required to be collected by the applicable courts and remitted to SRFG are for civil actions, cases or proceedings filed in superior courts is $1. For civil actions, cases or proceedings filed in state courts and magistrate courts where a sheriff of the superior courts acts as a sheriff in those courts is $1.

The collective net pension liability was measured as of June 30, 2015, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2015.

Actuarial assumptions.
The collective total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	N/A
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the 1983 Group Annuity Mortality Table for the period after retirement, for dependent beneficiaries, and for deaths in active service. The actuarial assumptions used in the June 30, 2015 valuation were based on the results of the most recent actuarial experience study.
The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The asset allocation of the pension plan's portfolio and the long-term expected rates of return for each major asset class were not provided in actuary report.

Discount rate. The discount rate used to measure the collective total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions (dues) will be made at the current contribution rate and that nonemployer contributions (from court fines and forfeitures) will continue to be made at the current rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

4. Judges of the Probate Courts Retirement Fund of Georgia (JPCRF) The Judges of the Probate Courts Retirement Fund of Georgia (Fund) was created in 1958 by the General Assembly of Georgia for the purpose of paying retirement benefits to judges of the probate courts of the State of Georgia. Detailed information about the pension plan's fiduciary net position is available in the separately issued Judges of the Probate Courts Retirement Fund of Georgia financial report that can be obtained at www.pjrf.georgia.gov.

Benefits provided. JPCRF provides retirement as well as death benefits. Benefit provisions are established by statute and may be amended only by the General Assembly of Georgia. A member must have terminated his or her service as official capacity as a judge of probate court or as an employee of the Board of Commissioners to receive benefits. Members approved for retirement benefits prior to July 1, 1996, are paid a monthly benefit equal to 5% of his or her average monthly net earnings (subject to a salary cap) for each year served up to, but not exceeding, a total of 20 years, with exceptions. The benefit for members approved for retirement benefits on or after July 1, 1996, is equal to 5% of his or her final monthly net earnings (subject to a salary cap) for each year served up to, but not exceeding, a total of 20 years with exceptions. Members may elect, as an alternate to the benefit described above, to receive an actuarially reduced benefit in the form of a Joint and Survivor Annuity.

Contributions and Vesting. Members prior to July 1, 1995, are eligible for retirement at age 60 and must have served at least four years as a regularly qualified and commissioned probate judge, secretary treasurer or qualified employee of the Board of Commissioners of the Fund.

Members on or after July 1,1995, are eligible for retirement at age 60 and must have served at least eight years. SRFG is funded by member and nonemployer contributing entity contributions. Contribution provisions are established by statue and may be amended only by the General Assembly of Georgia. Member contribution requirements are set forth in Official Code of Georgia Annotated (O.C.G.A.) 47-11-40 and are not actuarially determined. Each member must contribute $105 per month with a maximum payment period of twenty years. Nonemployer contributions consist of court fines, forfeitures and fees collected and remitted by the courts directly to JPCRF in accordance with O.C.G.A. 47-11-50 and 47-11-51. These court fines, forfeitures and fees are considered to be made by the State of Georgia as the nonemployer contributing entity. For each criminal and quasi-criminal case involving the violation of State of Georgia traffic laws which is before a judge of the probate court and in which case a fine is collected or a bond is forfeited, $3.00 is collected and paid to JPCRF. For fees associated with various services, the applicable fees are collected and paid to JPCRF are $2 for civil filings, 20% of fee for marriage licenses and $1 for pistol licenses.

The collective net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2015.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	N/A
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP 2014 Healthy Mortality Table with generational mortality projection using Scale MP 2014 healthy lives and the RP 2014 Disabled Retiree Mortality Table with generational mortality projection using Scale MP 2014 for disabled lives.

The long-term expected rate of return on pension plan investments was calculated by the Fund's investment manager as 6.66% using a Monte Carlo simulation in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The Fund's administrator determined that 7.00% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation by the Fund's investment manager. The asset allocation of the pension plan's portfolio and the long-term expected rates of return for each major asset class were not provided in actuary report.

Discount rate. The discount rate used to measure the collective total pension liability was 7.00

percent. The projection of cash flows used to determine the discount rate assumes revenues will remain level. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

5. Peace Officers' Annuity and Benefit Fund of Georgia (POAB): The Peace Officers' Annuity and Benefit Fund of Georgia (Fund) was created in 1950 by the General Assembly of Georgia to provide retirement benefits to peace officers. Detailed information about the pension plan's fiduciary net position is available in the separately issued Peace Officers' Annuity and Benefit Fund of Georgia financial report that can be obtained at www.poab.georgia.gov.

Benefits provided. POAB provides retirement as well as death benefits. Title 47 of the O.C.G.A assigns the authority to establish and amend the provisions of the fund to the State Legislature. A member must have terminated his or her active employment as a peace officer to receive benefits. The monthly benefit is a single life annuity payable in monthly payments for the life of the member only. The monthly payment amount at June 30, 2015, was $24.41 per month (plus 1/12 of this amount for each month of any partial year) for each full year of creditable service up to a maximum of 30 years of total service. Members may elect, as an alternate to the benefit described above, to receive an actuarially reduced benefit in the form of a Joint and Survivor Annuity.

Contributions and Vesting. A member is eligible to receive retirement benefits with 30 years of service, regardless of age. A member is also eligible to receive retirement benefits at age 55 with 10 years of service; however, members joining on or after July 1, 2010, must have 15 years of service to be eligible for benefits. A member must have terminated his or her active employment as a peace officer to receive benefits. POAB is funded by member and nonemployer contributing entity contributions. Contribution provisions are established by statue and may be amended only by the General Assembly of Georgia. Member contribution requirements are set forth in Official Code of Georgia Annotated (O.C.G.A.) 47-17- 44 and are not actuarially determined. Each member must contribute $20 per month, to be paid no later than the tenth day of each month for a minimum payment period of ten years. Nonemployer contributions consist of court fines and forfeitures collected and remitted by the courts directly to POAB in accordance with O.C.G.A. 47-17-60. These court fines and forfeitures are considered to be made by the State of Georgia as the nonemployer contributing entity.
The collective net pension liability was measured as of June 30, 2015, and the collective total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015.

Actuarial assumptions. The collective total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%

Salary increases	N/A
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP 2014 Healthy Mortality Table with blue collar adjustment projected on a fully generational mortality basis using Scale MP 2014 for healthy lives and the RP 2014 Disabled Retiree Mortality Table with generational mortality projection using Scale MP 2014 for disabled lives.

The long-term expected rate of return on pension plan investments was calculated by the Fund's investment manager as 6.66% using a Monte Carlo simulation in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The Fund's administrator determined that 7.00% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation by the Fund's investment manager. The asset allocation of the pension plan's portfolio and the long-term expected rates of return for each major asset class were not provided in actuary report.

Discount rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumes revenues will remain level. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

6. *Superior Court Clerks' Retirement Fund of Georgia (SCCRF)* The Superior Court Clerks' Retirement Fund of Georgia (the Fund) was created in 1952 by an act of Georgia General Assembly for the sole purpose of providing benefits to Clerks of the Superior Courts of Georgia. Detailed information about the pension plan's fiduciary net position is available in the separately issued Peace Officers' Annuity and Benefit Fund of Georgia financial report that can be obtained at www.sccrf.com.

Benefits provided. The Retirement Fund provides retirement as well as disability and death benefits. As of July 1, 2015, the monthly amount payable at Normal, Delayed, or Early Retirement is equal to $131.95 times whole years of service; it is $2,639 per month for Disability Retirement. Benefit increases have been periodically enacted since the inception of the Fund; in 1998, the Board of Commissioners was authorized to provide increase of not more than 3% per annum (or 1 ½% semiannually), based upon a methodology that inter alia maintains the actuarial soundness of the Fund. These increases affected the benefits payable to future retirees as well as increasing all benefits in pay status at the time the increases were implemented. Members serving in excess of 20 years are entitled to an additional 5% of the maximum benefit in effect at the time of retirement for each additional full year of service.

Contributions and Vesting. A member is eligible to receive retirement benefits at age 55 with 20 years of service, 12 years of which have been as clerk of a superior clerk, and served continuously as clerk of a superior clerk for the four years immediately preceding retirement. A member is eligible to receive a pro rata share of maximum benefits at the age 55 with 12 years of service, at least eight of which have been served, including the four years immediately preceding retirement, as clerk of a superior court. Each member must contribute $50 per month, to be paid no later than the tenth day of each month. Monthly membership dues are $100 for any clerk who first or again becomes a member on or after September 1, 2009. Nonemployer contributions consist of court fines, forfeitures and fees collected and remitted by the courts directly to SCCRF in accordance with O.C.G.A. 47-14-50 and 47-14-51. These court fines, forfeitures and fees are considered to be made by the State of Georgia as the nonemployer contributing entity.

The collective net pension liability was measured as of June 30, 2015, and the collective total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2012. An expected total pension liability is determined as of June 30, 2014 using standard roll-forward techniques. The roll forward calculation adds the annual normal cost (also called service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected single equivalent interest rate for the period.

Actuarial assumptions. The collective total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	N/A
Investment rate of return	5.25%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP 2014 Healthy Mortality Table with generational mortality projection using Scale MP for healthy lives and the RP 2014 Disabled Retiree Mortality Table with generational mortality projection using Scale MP 2014 for disabled lives.

The long-term expected rate of return on pension plan investments was calculated by the Fund's investment manager as 5.28% using a Monte Carlo simulation in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. The asset allocation of the pension plan's portfolio and the long-term expected rates of return for each major asset class were not provided in actuary report.

Discount rate. The discount rate used to measure the total pension liability was 5.25% based on the expected long-term rate of return on pension plan investments of 5.28%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to

make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Georgia Firefighters' Pension Fund (GFPF) The Georgia Firefighters' Pension Fund (the Fund) was created in 1955 by an act of the Georgia General Assembly to provide retirement benefits for qualified firefighters. Any person employed as a firefighter or enrolled as a volunteer firefighter within the State of Georgia or any regular employee of the Fund is eligible for membership in the Fund. Detailed information about the pension plan's fiduciary net position is available in the separately issued Georgia Firefighters' Pension Fund financial report that can be obtained at www.gfpf.org.

Benefits provided. The Pension Fund provides retirement as well as disability and death benefits. Benefit provision and vesting requirements are established by statute and may be amended only by the General Assembly of Georgia. Members may not receive benefits while they are still an employee of a fire department or of the Pension Fund. Members may receive benefits and continue service as a volunteer firefighter as long as they receive no form of compensation for their volunteer department activity. The maximum retirement benefit at June 30, 2015 is $882 per month for the life of the member. The Board of Trustees is authorized to provide for ad hoc cost-of-living adjustments (COLAs) effective as of January 1 and July 1 of each year up to 1 1/2% of the maximum retirement benefit then in effect. Members retiring after July 1, 1984 with service in excess of 25 years are entitled to an additional 1% of the maximum benefit in effect at the time of retirement for each additional full year of service. Members retiring after July 1, 2002 with service in excess of 25 years are entitled to an additional 2% of the maximum benefit in effect at the time of retirement for each additional full year of service. Members may elect, as an alternate to the benefit described above, to receive either: the joint and survivor option, which is an actuarially reduced benefit payable during the joint lifetime of the member and the member's spouse, continuing after the death of the member through the lifetime of the spouse, or the ten years' certain and life option, which is a reduced benefit during the member's lifetime. In the event of the members' death within 10 years of retirement, the same monthly benefits continue to be paid to the member's selected beneficiary for the balance of the 10 year period.

Contributions and Vesting. A member is eligible to receive retirement benefits at age 55 with 25 years of service. A member is eligible to receive a pro rata share of benefits, at the latter of age 55 or at the member's termination as a firefighter or volunteer firefighter, after at least 15 years of service (amount received to be the maximum benefit amount times a ratio of years of service to 25 years). The Pension Fund is funded by member and nonemployer contributing entity contributions. Contribution provisions are established by statue and may be amended only by the General Assembly of Georgia. Member contribution requirements are set forth in Official Code of Georgia Annotated (O.C.G.A.) 47-7-60 and are not actuarially determined. Each member must contribute $25 per month, to be paid no later than the tenth day of each month. Nonemployer contributions consist of insurance premiums tax collected and remitted by insurers directly to the Pension Fund in accordance with O.C.G.A. 47-7-61. Every fire insurance

company, corporation or association doing business within the State of Georgia must pay the Pension Fund a tax of 1% of the gross premiums written by such insurance company, corporation, or association for fire, lightning, or extended coverage, inland marine or allied lines, or windstorm insurance policies covering property within the State of Georgia. These insurance premium taxes are considered to be made by the State of Georgia as the nonemployer contributing entity.

Actuarial assumptions. The collective total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	N/A
Investment rate of return	6.00%, net of pension plan investment expense, including inflation

Mortality rates for pre-retirement were based on the RP-2000 employee mortality table projected to 2025 with projection scale BB. Mortality rates for post-retirement were based on the RP 2000 blue collar mortality table projected to 2025 with projection scale BB. Post-disability mortality rates were based on the RP 2000 disabled mortality table projected to 2025 with projection scale BB. The actuarial assumptions used in the June 30, 2015 valuation were based on the results of the actuarial experience study dated November 4, 2015.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.
The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Cash	.40%	.75%
IG Corp Credit	3.60%	2.25%
MBS	12.40%	1.25%
Core Bonds	10.30%	1.46%
Custom Fixed Income	7.60%	2.25%
Large Cap Equities	16.50%	4.75%
Small/MidCap Equities	18.30%	5.00%
International Equities (Unhedged)	15.00%	5.25%
Emerging International Equities	5.00%	6.50%
Private Equity	1.20%	6.75%

Real Estate (Core)	5.00%	3.50%
Real Assets (Liquid)	4.70%	4.75%
Total	100%	

*Rates shown are net of the 2.75% assumed rate of inflation

Discount rate. The discount rate used to measure the total pension liability was 6.00 percent. The projection of cash flows used to determine the discount rate assumes that plan member contributions (dues) will be made at the current contribution rate ($25/month) and that nonemployer contributions (from insurers) will continue to be made at the current rates. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 8 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries property and auto insurance. The County is covered by general liability insurance through the ACCG Interlocal Risk Management Agency. Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia counties to form interlocal risk management agencies. The ACCG Interlocal Risk Management Agency (IRMA) is a county interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member counties - IRMA establishes and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of county government. IRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of IRMA against liability or loss.
Decatur County must participate at all times in at least one fund which is established by IRMA.
Other responsibilities of the County are as follows:

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

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

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

- To allow attorneys, appointed by IRMA, to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against

the County within the scope of loss protection furnished by the Fund or Funds established by IRMA.

- To assist and cooperate in the defense and settlement of claims against the County.
- To furnish full cooperation to IRMA's attorneys, claims adjusters, service company and any agent, employee, officer or independent contractor of IRMA relating to the purposes of IRMA.
- To follow all loss reduction and prevention procedures established by IRMA.
- To furnish to IRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in IRMA or any Fund established by IRMA being required to pay claim for loss or injuries to County property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the County participates.

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

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

The County has not compiled a record of the claims paid up to the applicable deductible for the prior or current fiscal year. The County is not aware of any claims, which the County is liable for (up to the applicable deductible) which were outstanding and unpaid at June 30, 2016. No provisions have been made in the financial statements for the year ended June 30, 2016 for any estimate of potential unpaid claims.

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

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

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death

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

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

NOTE 9 - CONTINGENT LIABILITIES

The 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.

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NOTE 10 - CONDENSED FINANCIAL STATEMENTS - ENTERPRISE FUNDS

Condensed Statement of Net Position

Description	Water & Sewer Fund	Natural Gas	Airport	Golf Course	Landfill Fund	Prison	Totals
Assets							
Current	$ 1,865,674	$ 260,085	$ 39,073	$ -	$ 4,415,886	$ 91,453	$ 6,672,171
Capital	6,636,257	797,182	3,398,821	-	11,681,472	497,291	23,011,023
Total Assets	8,501,931	1,057,267	3,437,894	-	16,097,358	588,744	29,683,194
Deferred outflow	2,356	1,466	7,409	-	27,853	63,998	103,082
Total Assets and Deferred outflow	$ 8,504,287	$ 1,058,733	$ 3,445,303	$ -	$ 16,125,211	652,742	$ 29,786,276
Liabilities							
Current	$ 291,771	$ 26,682	$ 177,855	$ 5,879	$ 735,705	254,412	$ 1,492,304
Long-term	3,008,876	9,763	49,390	-	6,528,973	426,535	10,023,537
Total Liabilities	3,300,647	36,445	227,245	5,879	7,264,678	680,947	11,515,841
Net Position							
Net Investment in Capital Assets	3,519,536	797,182	3,398,821	-	8,543,111	497,291	16,755,941
Restricted for Debt Service	88,363	-	-	-	-	-	88,363
Unrestricted	1,595,741	225,106	(180,763)	(5,879)	317,422	(525,496)	1,426,131
Total Net Position	$ 5,203,640	$ 1,022,288	$ 3,218,058	$ (5,879)	$ 8,860,533	$ (28,205)	$ 18,270,435

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Condensed Statement of Revenues, Expenses and Change in Net Position

Description	Water & Sewer Fund	Natural Gas	Airport	Golf Course	Prison	Landfill Fund	Totals
Operating revenues							
Charges for Services	$ 235,401	$ 285,377	$ 372,217	$ -	$ 1,959,290	$ 2,265,344	$ 5,117,629
Rental Income	-	-	30,789	-	-	-	30,789
Total operating revenues	235,401	285,377	403,006	-	1,959,290	2,265,344	5,148,418
Operating expenses (Excluding Depreciation)	425,011	248,896	475,234	87,668	2,635,164	1,507,782	5,379,755
Depreciation	94,965	7,344	219,432	-	50,340	786,167	1,158,248
Total operating expenses	519,976	256,240	694,666	87,668	2,685,504	2,293,949	6,538,003
Operating income (loss)	(284,575)	29,137	(291,660)	(87,668)	(726,214)	(28,605)	(1,389,585)
Nonoperating revenues (expenses)							
Intergovernmental	133,612	-	59,417	-	-	-	193,029
Interest income	4,034	-	-	-	-	-	4,034
Interest expense	(62,337)	-	-	-	-	(32,653)	(94,990)
Total Nonoperating income (expenses)	75,309	-	59,417	-	-	(32,653)	102,073
Special Item- Gain on Timber disposal of	3,054	-	-	-	-	(109,081)	(106,027)
Transfers in (out)	-	-	-	81,789	165,379	(232,168)	15,000
Changes in net position	(206,212)	29,137	(232,243)	(5,879)	(560,835)	(402,507)	(1,378,539)
Beginning net position as restated	5,409,852	993,151	3,450,301	-	532,630	9,263,040	19,648,974
Ending net position	$ 5,203,640	$ 1,022,288	$ 3,218,058	$ (5,879)	$ (28,205)	$ 8,860,533	$ 18,270,435

Condensed Statement of Cash Flows

Description	Water & Sewer Fund	Natural Gas	Airport	Golf Course	Prison	Landfill Fund	Totals
Net cash provided (used) by operating activities	$ (850,259)	$ 150,887	$ 66,149	$ (81,789)	$ (150,379)	$ 676,288	$ (189,103)
Net cash provided (used) by noncapital financing activities	-	-	-	81,789	150,379	(232,168)	-
Net cash provided (used) by capital and related financing activities	1,058,632	(150,887)	(43,934)	-	-	(211,346)	652,465
Net cash provided (used) by investing activities	4,034	-	-	-	-	-	4,034
Net increase (decrease) in cash & cash equivalents	212,407	-	22,215	-	-	232,774	467,396
Beginning cash & cash equivalents	366,266	-	14,699	-	-	-	380,965
Ending cash & cash equivalents	$ 578,673	$ -	$ 36,914	$ -	$ -	$ 232,774	$ 848,361

NOTE 11 - CLOSURE AND POSTCLOSURE COST

Landfill SR309 – Permit 043-006D(SL)

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions

at the site for thirty years after closure. Closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste. Landfill operating costs were included in the General Fund in years prior to June 30, 1999. On July 1, 1999 the County began recording the activity of the landfill in an enterprise fund. The liability for the estimated closure and 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 $769,378 as of June 30, 2016. 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, 2016 is 7.5%. The County estimates the remaining useful life of the landfill as 40.24 years. The estimated liability for post closure care costs of the landfill was $2,920,202 as of June 30, 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 12 - CONSTRUCTION COMMITMENTS

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.

On February 25, 2014, 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, 2014 to March 31, 2019. With the passage of this referendum on February 25, 2014, the County is obligated to expend up to $15,907,950 for projects as detailed in the Schedule of Special Purpose Local Option Sales Tax as listed in the Table of Contents.

NOTE 13 – RESTRICTED NET POSITION

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

	Other Projects	Other Purposes	Total
CDBG EIP	$ 190,661	$ -	$ 190,661
SPLOST VI	1,149,044	-	1,149,044
Jail Fund	927	-	927
Crime Victims Assistance	4,905	-	4,905
Law Library	8,568	-	8,568
Confiscated Assets	9,210	-	9,210
Mandatory Drug Fund	151,842	-	151,842
Decatur County Prison Account	25,648	-	25,648
Retirement	-	1,101,659	1,101,659
	$ 1,540,805	$ 1,101,659	$ 2,642,464

NOTE 14 - SPECIAL ITEM – SALES OF CAPITAL ASSETS

During the fiscal year ended June 30, 2016 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. In governmental funds, these transactions consisted of the disposition of several small pieces of surplus equipment for $62,970 and timber of $34,296. The Landfill disposed of an excavator for $168,062. These funds were used to purchase a new excavator from another company. Additionally, timber was sold in the Landfill enterprise fund resulting in a gain of $64,400.

NOTE 15 - DEFICIT FUND BALANCE

For the fiscal year ended June 30, 2016 there were numerous funds that had a deficit fund balance. The E-911 Special Revenue Fund had a deficit fund balance of $219,568. 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 $272,700 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 16 – CHANGE IN REPORTING ENTITY

The county is reporting the Prison as an enterprise fund as agreed in the service delivery negotiations with the City:

	Governmental Activites	Business-Type Activities
Beginning net position, July 1, 2015, as previously reported	$ 27,808,809	$ 19,179,001
Move Prision from General Fund to Enterprise Fund	(532,630)	532,630
Beginning net position, July 1, 2015, as restated	$ 27,276,179	$ 19,711,631

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

A. Bank Deposits

At March 31, 2015 and 2016, the Authority had bank balances as follows:

	2016	2015
Insured (FDIC) or collateralized with securities held by the Authority.	$ 781,500	$ 781,500
Collateralized by securities held by the pledging financial institution's trust department in the Authority's name.	762,471	1,162,681
Total (bank balance)	$ 1,543,971	$ 1,944,181
Carrying value (book value)	$ 1,215,608	$ 1,421,661

B. Capital Assets

A summary of property and equipment at March 31, 2016 follows:

	2015 Balance	Increase	Decrease	2016 Balance
Land	$ 905,367	$ -	$ -	$ 905,367
Buildings & Improvements	24,783,833	111,836	-	24,895,669
Equipment	21,359,235	551,692	(2,774,071)	19,136,856
Construction in progress	264,726	452,811	(408,327)	309,210
Total property and equipment	47,313,161	1,116,339	(3,182,398)	45,247,102
Less accumulated depreciation:				
Buildings and improvements	14,764,975	567,308	-	15,332,283
Equipment	17,979,350	965,254	(2,763,636)	16,180,968
Total accumulated depreciation	32,744,325	1,532,562	(2,763,636)	31,513,251
Net property and equipment	$ 14,568,836	$ (416,223)	$ (418,762)	$ 13,733,851

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

	2015 Balance	Additions	Deletions	2016 Balance	Amount Due in One Year
Notes payable	$ 7,613,303	$ 395,254	$ (444,576)	$ 7,563,981	$ 513,377
Total long term debt	$ 7,613,303	$ 395,254	$ (444,576)	$ 7,563,981	$ 513,377

A summary of long-term debt, including capital lease obligations, at March 31, 2016 and 2015, follows:

	2016	2015
3.25% note payable to First Port City Bank with a maturity date of April 2017. It is collateralized by land, buildings and equipment.	$ 6,642,246	$ 6,922,182
3.412% note payable to Annette D. Harrell in monthly installments of $3,742 until June 2021, unsecured.	215,562	252,420
3.25% note payable to Charles A. Walker in monthly installments of $1,818 until December 2023. It is collateralized by the office building.	149,249	165,915
2.50% note payable to People South Bank in monthly installments of $7,676 until April 2018. It is collateralized by equipment.	186,512	272,786
2.50% note payable to People South Bank in monthly installments of $ 7,022 until November 2018. It is collateralized by equipment.	370,412	-
Total long-term debt	7,563,981	7,613,303
Less current installments of long-term debt	513,377	425,483
Long-term debt, excluding current installments	$ 7,050,604	$ 7,187,820

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

	Long-term Debt	
Year Ended March 31	Principal	Interest
2017	$ 513,377	$ 235,058
2018	6,574,028	34,640
2019	283,550	10,833
2020	61,215	5,498
2021	63,305	3,408
2022-Thereafter	68,506	2,744
Totals	$ 7,563,981	$ 292,181

D. Short-Term Debt

A summary of short-term debt at March 31, 2016 follows:

	2015 Balance	Additions	Reductions	2016 Balance
Operating Lone-of-credit	$ -	$ 1,500,770	$ (65,038)	$ 1,435,732

- Operating line-of-credit, maximum principal amount of $2,000,000 with interest accrued

from date of advance(s) at a variable rate at market not to exceed 25%. Interest due monthly and principal due at original maturity of October 22, 2016 and extended to April 22, 2017, collateralized by accounts receivable.

E. Pension

The Memorial Hospital and Manor Retirement Savings Plan (Plan) is a 403(b) plan and was established by the Authority and administered by VALIC to provide benefits at retirement to substantially all employees of the Authority. Plan provisions and contribution requirements are established and may be amended by the Authority's Board of Directors.

Employees contribute a portion of their pre-tax wages and the Authority funds a matching contribution of one-half of an employee's contribution up to six percent. Employees are vested immediately in their contributions. Vesting in the Authority's contribution portion of their accounts is based on years of continuous service. Forfeited nonvested accounts are held and applied to reduce future employer contributions.

For the years ended March 31, 2016 and 2015, the Authority contributed approximately $397,000 and $386,000 in matching and discretionary funds, respectively. The Authority had no liability outstanding related to the Plan at March 31, 2016 or 2015.

F. 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, 2016 and 2015. In addition, the state of Georgia legislature passed tort reform which could limit the amount of certain settlements.

G. 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 $125,000 for each individual employee. Under this self-insurance program, the Authority incurred expenses of approximately $4,405,000 and $4,479,000 including administrative fees, during the years ended March 31, 2016 and 2015, respectively.

The Authority has a partial self-insurance program 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. The Authority uses a third-party administrator to review and analyze incidents that may result in a claim against the Authority. The Authority has designated assets to be used for liabilities resulting from claims for which the Authority may ultimately be responsible.

H. 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:

	2016	2015
Assets	$ 1,214,215	$ 1,194,038
Liabilities	8,720	8,593
Net Position	1,205,495	1,185,445
Liabilities and net position	$ 1,214,215	$ 1,194,038
Revenues	$ 203,781	$ 44,438
Investing gains (losses)	32,622	31,989
Expenses	(92,584)	(20,388)
Contributions to Memorial Hospital and	(55,443)	(92,354)
Excess of revenues over expenses	88,376	(36,315)
Changes in net unrealized gains and losses on marketable securities	(68,326)	28,990
Net position, beginning of year	1,185,445	1,192,770
Net position, end of year	$ 1,205,495	$ 1,185,445

I. Health Care Reform

In recent years, there has been increasing pressure on Congress and some state legislatures to control and reduce the cost of healthcare on the national or at the state level. Legislation has been passed that includes cost controls on healthcare providers, insurance market reforms, delivery system reforms and various individual and business mandates among other provisions. The costs of these provisions will be funded in part by reductions in payments by government programs, including Medicare and Medicaid. There can be no assurance that these changes will not adversely affect the Authority.

J. Regulatory Compliance

The healthcare industry has recently been subjected to increased scrutiny from governmental agencies at both the federal and state level with respect to compliance with regulations. Areas of noncompliance identified at the federal level include Medicare and Medicaid, Internal Revenue Service and other regulations governing the healthcare industry. In addition, the Reform Legislation includes provisions aimed at reducing fraud, waste and abuse in the healthcare industry. These provisions allocate significant additional resources to federal enforcement agencies and expand the use of private contractors to recover potentially inappropriate Medicare and Medicaid payments. The Authority has implemented a compliance plan focusing on such issues. There can be no assurance that the Authority will not be subjected to future investigations with accompanying monetary damages.

K. Additional Consideration

The Authority is facing financial difficulty due to operating losses, minimal cash reserves, increasing accounts payable and long-term debt maturities. Management has developed an

aggressive tum-around plan to improve the Authority's financial position which includes several revenue cycle initiatives to increase collection rates, cost structure reductions such as improving productivity, decreasing operational expenses, implementation of updated information systems and pursuing alternatives to refinance its long-tem1 debt. There is also potential to participate in the rural hospital tax credit program passed during the 2016 Georgia General Assembly as part of Senate Bill 258.

Since the end of the fiscal year, Management has implemented changes within the revenue cycle to improve collections. The management personnel responsible for these departments have been replaced and a new billing and collection company has been engaged. Subsequent to year end, management is starting to see improvements in cash collections and a reduction in denied claims. Key performance indicators have been established to monitor the progress on improvement with cash collections, claims denial and other trends within the revenue cycle.

Since March 31, 2016, a productivity study has been completed and staffing levels have been adjusted to improve efficiency and lower operating costs. As a result, approximately 40 positions have been eliminated. Managers now utilize the productivity model to determine appropriate staffing levels based upon patient acuity and volume of services. A consulting company has been engaged to perform an analysis of the five physician offices to recommend changes to work flow to increase opportunities for revenue enhancement. Non-salary expenses such as employee benefits, contract labor, supplies expense and service contracts are being analyzed for opportunities to reduce or discontinue.

The Authority is in the process of updating its information systems, including hardware and software. The installation of new, updated hardware will increase the speed and efficiency in utilizing electronic medical records. In addition, new software will be installed that will allow us to verify coverage and eligibility on line by providing more accurate insurance information to improve point of service collections.

In early 2017, the Authority will pursue the refinancing of its long-term debt to improve cash flow and provide an additional source of cash while its operational improvements fully mature. The Authority seeks to issue revenue bonds secured by tax proceeds being received. If successful, the revenue bonds will amortize the Authority's long-term debt at a lower interest rate, provide additional funds for capital expenditures and provide an operating line of-credit. Discussions are currently underway towards the issuance of revenue bonds.

The Georgia Legislature passed Senate Bill 258 which allows individuals and corporations to make donations to rural hospitals and receive a tax credit against their Georgia income tax liability. Memorial Hospital and Manor is one of 49 rural hospitals in Georgia eligible to receive donations that qualify for the tax credit. The Authority has partnered with Georgia Heart to promote and administer the program. While it is difficult to estimate the potential donations that will be received, the Hospital is optimistic about receiving donations in 2017.

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

A. Bank Deposits

Total deposits and investments as of June 30, 2016 are summarized as follows:

As reported in the Statement of Net Position:	
Cash and cash equivalents	$ 766,376
Cash deposited with financial institutions	$ 765,601

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 depository 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, 2016, the Health Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

B. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Increase	Decrease	Balance June 30, 2016
Capital assets being depreciated:				
Building	$ 26,692	$ -	$ -	$ 26,692
Equipment	92,594	-	-	92,594
Vehicles	49,200	-	-	49,200
Total capital assets being depreciated	168,486	-	-	168,486
Less accumulated depreciation for:				
Buildings	(11,263)	(1,649)		(12,912)
Equipment	(77,680)	(2,939)		(80,619)
Vehicles	(49,200)	-	-	(49,200)
Total accumulated depreciation	(138,143)	(4,588)	-	(142,731)
Governmental Activities Capital Assets, Net	$ 30,343	$ (4,588)	$ -	$ 25,755

C. Compensated Absences

Non-current liabilities on the Statement of Net Position are made up of compensated absences payable at June 30, 2016. All of the compensated absences are related to governmental activities. Changes in compensated absences for FY2016 are as follows:

Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
$ 73,826	$ -	$ 7,059	$ 66,767

D. Retirement Plan

Plan Description

The Employees' Retirement System (ERS) was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. It is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans.* ERS is directed by the Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature.

Benefits Provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, post-retirement cost-of-living adjustments may also be made to members' benefits provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions

Member contributions under the old plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Health Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for old and new plan members and 21.69% for GSEPS members.

The employees of the Decatur County Health Department are covered by the Employees' Retirement System of the State of Georgia. Total retirement contributions for the year ended June 30, 2016 were $106,237 based on qualifying salaries of $441,709.

GASB 68 Implementation

The following schedules reflect the implementation of GASB Statement No. 68 and information concerning this implementation:

Contributions made during the measurement period (fiscal year ended June 30, 2015):	$	98,544
Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions		
Employer's proportionate share of net pension liability	$	795,168
Employer's proportion of net pension liability		0.0196270%
Increase/(Decrease) from proportion measured as of June 30, 2014		0.0007830%
Employer's recognized pension expense	$	41,804

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 6,353
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	57,373
Changes in proportion and differences between employer contributions and proportionate share of contributions	21,922	8,667
Employer contributions subsequent to the measurement date	107,214	-
Total	$ 129,136	$ 72,393

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	$ (23,861)
2018	(20,382)
2019	(25,572)
2020	19,344
2021	-
Thereafter	-

Actuarial Assumptions

The total pension liability as of June 30, 2015 was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary Increases	5.45-9.25%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the period after service retirement, for dependent beneficiaries, and for deaths in active services, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2004-June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Discount Rate

The discount rate used to measure the collective total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net liability	$ 1,127,179	$ 795,168	$ 512,116

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees' Retirement Systems of Georgia Financial Report which is publically available at **www.ersga.com.**

E. Subsequent Events

The Organization has evaluated subsequent events through November 23, 2016, the date on which the financial statements were available to be issued.

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NOTE 19 - DISCRETELY PRESENTED COMPONENT UNIT – DEVELOPMENT AUTHORITY OF BAINBRIDGE AND DECATUR COUNTY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The Development Authority of Bainbridge and Decatur County 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 Development Authority of Bainbridge and Decatur County. 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 Development Authority of Bainbridge and Decatur County 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 Development Authority of Bainbridge and Decatur County.

B. Basis of Presentation - Fund Accounting

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the Authority). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. 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 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.

F. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 261	$ -	$ -	$ 261
Total capital assets not being depreciated	261	-	-	261
Capital assets being depreciated:				
Buildings	1,723,039	-	-	1,723,039
Improvements	1,204,174	-	-	1,204,174
Machinery & equipment	3,296	-	-	3,296
Total capital assets being depreciated	2,930,509	-	-	2,930,509
Less accumulated depreciation for:				
Buildings	(67,436)	(43,592)	-	(111,028)
Improvements	(247,058)	(56,817)	-	(303,875)
Machinery & equipment	(3,296)	-	-	(3,296)
Total Accumulated Depreciation	(317,790)	(100,409)	-	(418,199)
Governmental activities capital assets, net	$ 2,612,980	$ (100,409)	$ -	$ 2,512,571

Depreciation expense was charged to the governmental functions as follows:

General government	$ 100,409
Total governmental depreciation expense:	$ 100,409

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 had to pay issuance cost of $60,212 which has been fully expensed in accordance with GASB 65. 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 year end was $175,552. The bonds are guaranteed by the intergovernmental contract with the City.

Bonds will bear interest as set forth below:

Year	Principal Amount	Interest Rate
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%
	865,309	
Add: Unamortized Premium	175,552	
	$ 1,040,861	

Changes in long-term liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Governmental activities:					
Revenue Bonds Payable	$ 925,136	$ -	$ (59,827)	$ 865,309	$ 62,519
Add deferred amounts Unamortized premium	191,512	-	(15,959)	175,553	-
Total all long-term debt	$ 1,116,648	$ -	$ (75,786)	$ 1,040,862	$ 62,519

H. SPECIAL ITEM – SALE OF CAPITAL ASSETS

During the fiscal year ended December 31, 2015, 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 2.64 acres of land for $17,160.

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.

REQUIRED SUPPLEMENTARY INFORMATION

Decatur County, Georgia
Budgetary Comparison Schedule - General Fund (GAAP)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
REVENUES				
Property taxes	$ 10,766,496	$ 10,766,496	$ 10,309,718	$ (456,778)
Sales and miscellaneous taxes	3,110,000	3,110,000	3,075,172	(34,828)
Fees and fines	940,200	940,200	776,095	(164,105)
Licenses and permits	105,000	105,000	75,758	(29,242)
Intergovernmental	-	-	177,147	177,147
Charges for services	141,182	141,182	279,643	138,461
Investment earnings	54,000	54,000	50,018	(3,982)
Miscellaneous	383,272	383,272	227,393	(155,879)
Contributions and donations	-	-	645	645
TOTAL REVENUES	15,500,150	15,500,150	14,971,589	(528,561)
EXPENDITURES				
General Government				
Legislative	214,107	200,607	169,421	31,186
Elections	283,946	283,946	240,810	43,136
Tax Commissioner	463,817	466,317	466,174	143
Tax Assessor	400,386	406,386	405,990	396
General Govt. Buildings and Grounds	388,482	393,482	393,007	475
General Government	1,750,738	1,750,738	1,675,402	75,336
Judicial				
Superior Court	75,900	86,900	86,653	247
Clerk of Courts	582,623	571,623	552,673	18,950
District Attorney	44,750	44,750	44,750	-
State Court	155,001	155,001	140,894	14,107
Magistrate Court	217,589	215,389	208,681	6,708
Probate Court	170,221	172,421	172,340	81
Juvenile Court	149,660	149,660	148,867	793
Public Defender	185,771	185,771	182,404	3,367
Judicial	1,581,515	1,581,515	1,537,262	44,253
Public Safety				
Sheriff	3,067,075	3,067,075	3,050,869	16,206
Jail	2,912,672	2,822,672	2,674,834	147,838
Fire	1,140,342	1,200,474	1,200,046	428
Public Safety / Communications	388,658	388,658	370,435	18,223
Coroner/Medical Examiner	43,787	49,387	49,342	45
EMS	293,500	293,500	284,211	9,289
Emergency Management	17,606	37,606	24,347	13,259
Public Safety	7,863,640	7,859,372	7,654,084	205,288
Public Works				
Highways and Streets	2,825,226	2,825,226	2,516,555	308,671
Maintenance & Shop	125,972	125,972	78,118	47,854
Public Works	2,951,198	2,951,198	2,594,673	356,525

Decatur County, Georgia
Budgetary Comparison Schedule - General Fund (GAAP)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
Health and Welfare				
Health	111,900	111,900	107,893	4,007
Welfare	3,500	3,500	3,500	-
Health and Welfare	115,400	115,400	111,393	4,007
Parks and Recreation				
Recreation	12,000	12,000	12,000	-
KAB	19,659	19,659	10,476	9,183
Parks and Recreation	31,659	31,659	22,476	9,183
Housing and Development				
Conservation	132,026	134,026	134,023	3
Planning and Zoning	149,004	147,004	129,273	17,731
Industrial Park	157,132	157,132	150,004	7,128
Housing and Development	438,162	438,162	413,300	24,862
Total Expenditures - All Departments	14,732,312	14,728,044	14,008,590	719,454
Net Excess before Operating Transfers	767,838	772,106	962,999	190,893
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(792,608)	(796,876)	(137,920)	658,956
Total Other Financing Sources (uses)	(792,608)	(796,876)	(137,920)	658,956
SPECIAL ITEMS				
Proceeds from sale of capital assets	25,000	25,000	62,970	37,970
Total Special Items	25,000	25,000	62,970	37,970
Net Excess (deficit)	$ 230	$ 230	$ 888,049	$ 887,819
Adjustments for Basis Differences -Budgetary Basis				
Receivable and Payable Accruals			177,695	
Net Excess (Deficit) GAAP Basis			1,065,744	
Fund Balance (deficit)-beginning			1,494,024	
Fund balance (deficit)-ending			$ 2,559,768	

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 23, 2015. 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 the cash basis of accounting. 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.

Decatur County, Georgia
Required Supplementary Information - Pension Plan
June 30, 2016

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

	2015	2014
Total Pension Liability as of beginning of year	$ 10,577,825	$ 10,067,176
Service cost	223,127	234,352
Interest	775,396	737,734
Plan change	-	-
Assumption change	410,020	-
Benefit payments (adjusted for interest)	(478,436)	(461,437)
Experience (gain)/(loss)	507,141	-
Total Pension Liability as of December 31, 2015	$ 12,015,073	$ 10,577,825
Fiduciary Net Position as of beginning of year	$ 8,300,194	$ 7,686,249
Employer contributions	678,364	662,784
Employee contributions (including buyback)	-	-
Net investment income	51,996	539,701
Benefit payments	(478,436)	(461,437)
Employee contribution refunds	-	-
Administrative expense	(34,795)	(35,638)
Other	(78,055)	(91,465)
Fiduciary Net Position as of December 31, 2015	$ 8,439,268	$ 8,300,194
Net pension liability as of beginning of year	$ 2,277,631	$ 2,380,927
Net pension liability as of end of year	$ 3,575,805	$ 2,277,631
Fiduciary Net Position as a percentage of Total Pension Liability	70.2%	78.5%
Covered-employee payroll	$ 6,587,784	$ 7,030,577
Net pension liability as a percentage of covered-employee payroll	54.3%	32.4%

Note: This schedule will present 10 year of information once the data is available.

Decatur County, Georgia
Required Supplementary Information - Pension Plan
June 30, 2016

SCHEDULE OF COUNTY CONTRIBUTIONS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	$ 662,789	$ 645,686	$ 687,389	$ 674,672	$ 688,834	$ 672,760	$ 616,502	$ 567,091	$ 495,967	$ 480,556	$ 488,474
Contribution in relation to the actuarially determined contribution	678,364	662,784	689,137	676,385	690,498	674,322	617,909	541,155	465,057	439,486	431,452
Contribution deficiency (excess)	$ (15,575)	$ (17,098)	$ (1,748)	$ (1,713)	$ (1,664)	$ (1,562)	$ (1,407)	$ 25,936	$ 30,910	$ 41,070	$ 57,022
Covered-employee payroll	$6,587,784	$7,030,577	$6,887,197	$7,562,164	$7,979,630	$7,769,933	$7,239,821	$6,709,222	$5,952,227	$5,538,786	$5,166,770
Contributions as a percentage of covered-employee payroll	10.3%	9.4%	10.0%	8.9%	8.7%	8.7%	8.5%	8.1%	7.8%	7.9%	8.4%

Notes to Schedule:

Valuation date	January 1, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay (closed)
Remaining amortization period	The amortization period for this plan is closed.
Asset valuation method	Market Value
Inflation	3.00%
Salary increases	4.0% - 5.5 % based on age
Investment rate of return	7.5%
Retirement:	Probability of Retirement
age 55 to 60	10%
ages 61 to 64	20%
age 65 to age 69	30%
age 70	100%
Mortality	RP-2000, Projected with Scale AA to 2016

Decatur County, Georgia
Required Supplementary Information - Pension Plan
June 30, 2016

SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

Pension Plan		County's proportion of the net pension liability (asset)	County's proportion of the net pension liability (asset)	State's proportionate of the net pension liability (asset) associated with the County	Total
Employees Retirement System - (ERS)	2016	0.00%	-	395,011	395,011
Georgia Judicial Retirement System - (GJRS)	2016	0.00%	-	(164,889)	(164,889)
Sheriffs' Retirement Fund of Georgia - (SRFG)	2016	0.00%	-	138,671	138,671
Judges of the Probate Courts Retirement Fund of Georgia - (JPCRF)	2016	0.00%	-	(113,897)	(113,897)
Peace Officers' Annuity and Benefit Fund of Georgia - (POAB)	2016	0.00%	-	42,525	42,525
Superior Court Clerks' Retirement Fund of Georgia - (SCCRF)	2016	0.00%	-	(75,391)	(75,391)
Georgia Firefighters' Pension Fund - (GFPF)	2016	0.00%	-	117,221	117,221

Pension Plan		County's covered-employee payroll	County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Employees Retirement System - (ERS)	2016	N/A	N/A	76.20%
Georgia Judicial Retirement System - (GJRS)	2016	N/A	N/A	113.37%
Sheriffs' Retirement Fund of Georgia - (SRFG)	2016	N/A	N/A	80.25%
Judges of the Probate Courts Retirement Fund of Georgia - (JPCRF)	2016	N/A	N/A	128.56%
Peace Officers' Annuity and Benefit Fund of Georgia - (POAB)	2016	N/A	N/A	98.28%
Superior Court Clerks' Retirement Fund of Georgia - (SCCRF)	2016	N/A	N/A	113.04%
Georgia Firefighters' Pension Fund - (GFPF)	2016	N/A	N/A	83.06%

Decatur County, Georgia
Required Supplementary Information - Pension Plan
June 30, 2016

SCHEDULE OF INVESTMENT RETURNS

	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expenses	8.30%	8.26%

Notes to Schedule:

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, return information should be presented for as many years as is available.

Supplemental Information

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

DECATUR COUNTY, GEORGIA

For the Fiscal Year Ended June 30, 2016

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, 2016

	Law Library	Confiscated Assets	E-911	CDBG EIP	Victim's Assistance	Mandatory Drug Fund	Decatur County Prison Account	Decatur County Jail Fund	Totals
Assets									
Cash in banks	$ 8,568	$ 4,361	$ -	$ 190,678	$ 10	$ 86,143	$ 30,914	$ -	$ 320,674
Accounts receivable	-	-	10,520	-	-	-	-	-	10,520
Due from other funds	-	4,849	-	-	4,895	77,574	-	3,466	90,784
Notes/capital leases receivable	-	-	-	368,401	-	-	-	-	368,401
Intergovernmental receivable	-	-	75,077	-	-	-	-	-	75,077
Total Assets	$ 8,568	$ 9,210	$ 85,597	$ 559,079	$ 4,905	$ 163,717	$ 30,914	$ 3,466	$ 865,456
Liabilities & Fund Balances									
Liabilities									
Accounts payable	$ -	$ -	$ 4,639	$ -	$ -	$ -	$ -	2,539	$ 7,178
Due to other agencies	-	-	266,672	17	-	11,875	5,266	-	283,830
Deferred revenue	-	-	-	368,401	-	-	-	-	368,401
Accrued salaries	-	-	33,854	-	-	-	-	-	33,854
Total Liabilities	-	-	305,165	368,418	-	11,875	5,266	2,539	693,263
Fund Balances									
Restricted for:									
Legal Reference Materials	8,568	-	-	-	-	-	-	-	8,568
Public Safety	-	9,210	-	-	4,905	151,842	25,648	927	192,532
Economic Development	-	-	-	190,661	-	-	-	-	190,661
Unassigned	-	-	(219,568)	-	-	-	-	-	(219,568)
Total Fund Balances	8,568	9,210	(219,568)	190,661	4,905	151,842	25,648	927	172,193
Total Liabilities & Fund Balance	$ 8,568	$ 9,210	$ 85,597	$ 559,079	$ 4,905	$ 163,717	$ 30,914	$ 3,466	$ 865,456

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, 2016

	Law Library	Confiscated Assets	E-911	CDBG EIP	Victim's Assistance	Eagle Print Palm System Grant	Mandatory Drug Fund	Lake Decatur Fund	Decatur County Prison Account	Decatur County Jail Fund	Totals
Revenues											
Charges for services	$ 4,203	$ -	$ 416,969	$ -	$ -	$ -	$ -	$ -	$ 116,471	61,429	$ 599,072
Fines and forfeitures	-	5,905	-	-	-	-	50,696	-	-		56,601
Intergovernmental	-	-	534,650	55,279	35,580	-	-	-	-		625,509
Miscellaneous			40,222								40,222
Interest	-	13	-	2,178	-	-	374	-	-		2,565
Total Revenues	4,203	5,918	991,841	57,457	35,580	-	51,070	-	116,471	61,429	1,323,969
Expenditures											
General Government	22,882	-	-	-	-	-	-	-	-		22,882
Public Safety	-	15,841	1,003,950	-	35,576	-	-	-	113,412	75,502	1,244,281
Public Safety-Capital Outlay	-	-	-	-	-	-	-	-	-		-
Public Safety-Principal	-	-	66,173	-	-	-	-	-	-		66,173
Public Safety-Interest	-	-	11,437	-	-	-	-	-	-		11,437
Total Expenditures	22,882	15,841	1,081,560	-	35,576	-	-	-	113,412	75,502	1,344,773
Excess (deficiency) of revenues over expenditures	(18,679)	(9,923)	(89,719)	57,457	4	-	51,070	-	3,059	(14,073)	(20,804)
Other Financing Sources											
Transfers in	-	-	62,697	-	-	23,061	-	6,684	-	15,000	107,442
Total Other Financing Sources	-	-	62,697	-	-	23,061	-	6,684	-	15,000	107,442
Net Change in Fund Balance	(18,679)	(9,923)	(27,022)	57,457	4	23,061	51,070	6,684	3,059	927	86,638
Fund Balance-beginning of period	27,247	19,133	(192,546)	133,204	4,901	(23,061)	100,772	(6,684)	22,589	-	85,555
Fund Balance-end of period	$ 8,568	$ 9,210	$ (219,568)	$ 190,661	$ 4,905	$ -	$ 151,842	$ -	$ 25,648	$ 927	$ 172,193

DECATUR COUNTY, GEORGIA
Debt Service Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Taxes	$ 169,521	$ 169,521	$ 169,521	$ -
Total Revenues	169,521	169,521	169,521	-
Expenditures				
Debt Service				
Principal	158,752	158,752	158,752	-
Interest	10,769	10,769	10,769	-
Total Expenditures	169,521	169,521	169,521	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund Balance Beginning of Year	-	-	-	-
Fund Balance End of Year	$ -	$ -	$ -	$ -

DECATUR COUNTY, GEORGIA
Law Library - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fees From Courts	$ 16,000	$ 16,000	$ 4,203	$ (11,797)
Total Revenues	16,000	16,000	4,203	(11,797)
Expenditures				
Books & Publications	16,000	23,000	22,882	118
Total Expenditures	16,000	23,000	22,882	118
Excess (Deficiency) of Revenues Over Expenditures	-	(7,000)	(18,679)	(11,679)
Fund Balance-beginning of period	27,247	27,247	27,247	-
Fund Balance-end of period	$ 27,247	$ 20,247	$ 8,568	$ (11,679)

DECATUR COUNTY, GEORGIA
Confiscated Assets - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Confiscated Assets	$ 15,500	$ 15,500	$ 5,905	$ (9,595)
Interest	70	70	13	(57)
Total Revenues	15,570	15,570	5,918	(9,652)
Expenditures				
Public Safety	15,570	15,870	15,841	29
Total Public Safety Expenditures	15,570	15,870	15,841	29
Excess (Deficiency) of Revenues Over Expenditures	-	(300)	(9,923)	(9,623)
Fund Balance-beginning of period	19,133	19,133	19,133	-
Fund Balance-end of period	$ 19,133	$ 18,833	$ 9,210	$ (9,623)

DECATUR COUNTY, GEORGIA
E-911 - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Local Government Units (Grady County)	$ 425,000	$ 425,000	$ 534,650	$ 109,650
E-911 Charges	520,000	520,000	416,969	(103,031)
Miscellaneous Income	-	-	40,222	40,222
Total Revenues	945,000	945,000	991,841	46,841
Expenditures				
Operating Expenditures	1,129,456	1,044,096	1,003,950	40,146
Principal	-	66,173	66,173	-
Interest	-	11,437	11,437	-
Total Expenditures	1,129,456	1,121,706	1,081,560	40,146
Excess (Deficiency) of Revenues Over Expenditures	(184,456)	(176,706)	(89,719)	86,987
Other Financing Sources				
Operating Transfers In	184,456	184,456	62,697	(121,759)
Total Other Financing Sources	184,456	184,456	62,697	(121,759)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	7,750	(27,022)	(34,772)
Fund Balance - beginning of period	(192,546)	(192,546)	(192,546)	-
Fund Balance - end of period	$ (192,546)	$ (184,796)	$ (219,568)	$ (34,772)

DECATUR COUNTY, GEORGIA
CDBG EIP - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
EIP Principal Payment	$ 55,398	$ 55,398	$ 55,279	$ (119)
Interest income	7,442	7,442	2,178	(5,264)
Total Revenues	62,840	62,840	57,457	(5,383)
Expenditures				
Operating Expenditures	62,840	62,840	-	62,840
Total Expenditures	62,840	62,840	-	62,840
Excess (Deficiency) of Revenues Over Expenditures	-	-	57,457	57,457
Fund Balance - beginning of period	133,204	133,204	133,204	-
Fund Balance - end of period	$ 133,204	$ 133,204	$ 190,661	$ 57,457

DECATUR COUNTY, GEORGIA
Victim's Assistance - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ 57,000	$ 57,000	$ 35,580	$ (21,420)
Total Revenues	57,000	57,000	35,580	(21,420)
Expenditures				
Victim services payments	57,000	57,000	35,576	21,424
Total Expenditures	57,000	57,000	35,576	21,424
Excess (Deficiency) of Revenues Over Expenditures	-	-	4	4
Fund Balance - beginning of period	4,901	4,901	4,901	-
Fund Balance - end of period	$ 4,901	$ 4,901	$ 4,905	$ 4

DECATUR COUNTY, GEORGIA
Eagle Print Palm System Grant - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures				
Public Safety	-	-	-	-
Public Safety - Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Other Financing Sources				
Operating Transfers In (General Fund)	-	-	23,061	23,061
Unreserved, reported in non-major:		-	23,061	23,061
Excess (Deficiency) of Revenues and Expenditures and Other Uses	-	-	23,061	23,061
Fund Balance - beginning of period	(23,061)	(23,061)	(23,061)	-
Fund Balance - end of period	$ (23,061)	$ (23,061)	$ -	$ 23,061

DECATUR COUNTY, GEORGIA
Mandatory Drug Fund - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fines and forfeitures	$ 75,000	$ 75,000	$ 50,696	$ (24,304)
Interest income	300	300	374	74
Total Revenues	75,300	75,300	51,070	(24,230)
Expenditures				
Payments to other agencies	75,300	75,300	-	75,300
Total Expenditures	75,300	75,300	-	75,300
Excess (Deficiency) of Revenues Over Expenditures	-	-	51,070	51,070
Fund Balance - beginning of period	100,772	100,772	100,772	-
Fund Balance - end of period	$ 100,772	$ 100,772	$ 151,842	$ 51,070

DECATUR COUNTY, GEORGIA
Lake Decatur Fund - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2016

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

DECATUR COUNTY, GEORGIA
Decatur County Prison Account - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Charges for services	$ 175,000	$ 175,000	$ 116,471	$ (58,529)
Interest Income	100	100	-	(100)
Total Revenues	175,100	175,100	116,471	(58,629)
Expenditures				
Public Safety	150,100	150,100	113,412	36,688
Capital Outlay	25,000	25,000	-	25,000
Total Expenditures	175,100	175,100	113,412	61,688
Excess (Deficiency) of Revenues Over Expenditures	-	-	3,059	3,059
Fund Balance - beginning of period	22,589	22,589	22,589	-
Fund Balance - end of period	$ 22,589	$ 22,589	$ 25,648	$ 3,059

DECATUR COUNTY, GEORGIA
Decatur County Jail Fund - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fines and Fees	$ 50,000	$ 50,000	61,429	$ 11,429
Interest Income	-	-	-	-
Total Revenues	50,000	50,000	61,429	11,429
Expenditures				
Public Safety	50,000	76,000	75,502	498
Capital Outlay	-	-	-	-
Total Expenditures	50,000	76,000	75,502	498
Excess (Deficiency) of Revenues Over Expenditures	-	(26,000)	(14,073)	11,927
Other Financing Sources				
Operating Transfers In (General Fund)	-	26,000	15,000	(11,000)
Unreserved, reported in non-major:		26,000	15,000	(11,000)
Excess (Deficiency) of Revenues and Expenditures and Other Uses	-	-	927	927
Fund Balance - beginning of period	-	-	-	-
Fund Balance - end of period	$ -	$ -	$ 927	$ 927

DECATUR COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED June 30, 2016

FIDUCIARY FUNDS

DECATUR COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Fiscal Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
MAGISTRATE'S COURT				
Assets				
Cash	$ 1,001	$ 348,913	$ 349,907	$ 7
Total Assets	$ 1,001	$ 348,913	$ 349,907	$ 7
Liabilities				
Due to other agencies	$ 210	$ 130,864	$ 131,074	$ -
Due to others	791	218,049	218,833	7
Total Liabilities	$ 1,001	$ 348,913	$ 349,907	$ 7
CLERK OF THE COURTS				
Assets				
Cash	$ 94,333	$ 1,082,091	$ 1,007,635	$ 168,789
Total Assets	$ 94,333	$ 1,082,091	$ 1,007,635	$ 168,789
Liabilities				
Due to other agencies	$ 91,930	$ 944,018	$ 870,033	$ 165,915
Due to others	2,403	138,073	137,602	2,874
Total Liabilities	$ 94,333	$ 1,082,091	$ 1,007,635	$ 168,789
TAX COMMISSIONER				
Assets				
Cash	$ 694,617	$ 30,352,413	$ 30,299,889	$ 747,141
Receivables	822,927	24,169,256	24,250,418	741,765
Total Assets	$ 1,517,544	$ 54,521,669	$ 54,550,307	$ 1,488,906
Liabilities				
Due to other agencies	$ 1,319,308	53,901,536	$ 53,949,420	$ 1,271,424
Due to others	198,236	620,133	600,887	217,482
Total Liabilities	$ 1,517,544	$ 54,521,669	$ 54,550,307	$ 1,488,906
PROBATE COURT				
Assets				
Cash	$ 129	$ 96,914	$ 96,914	$ 129
Total Assets	$ 129	$ 96,914	$ 96,914	$ 129
Liabilities				
Due to other agencies	$ 129	$ 96,914	$ 96,914	$ 129
Total Liabilities	$ 129	$ 96,914	$ 96,914	$ 129
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	$ 790,080	$ 31,880,331	$ 31,754,345	$ 916,066
Receivables	822,927	24,169,256	24,250,418	741,765
Total Assets	$ 1,613,007	$ 56,049,587	$ 56,004,763	$ 1,657,831
Liabilities				
Due to other agencies	$ 1,411,577	$ 55,073,332	$ 55,047,441	$ 1,437,468
Due to others	201,430	976,255	957,322	220,363
Total Liabilities	$ 1,613,007	$ 56,049,587	$ 56,004,763	$ 1,657,831

DECATUR COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED June 30, 2016

INTERNAL SERVICE FUNDS

DECATUR COUNTY, GEORGIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2016

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Assets			
Current Assets:			
Cash on hand and in banks	$ -	$ 31,318	$ 31,318
Accounts receivable	-	136,038	136,038
Prepaid insurance	45,993	-	45,993
Due from other funds	9,172,700	-	9,172,700
Total current assets	9,218,693	167,356	9,386,049
Noncurrent assets:			
Property, plant & equipment (net of accumulated depreciation)	61,967	-	61,967
Total noncurrent assets	61,967	-	61,967
Total Assets	9,280,660	167,356	9,448,016
Liabilities			
Current liabilities:			
Accounts payable	15,857	16,117	31,974
Accrued expenses	18,202	-	18,202
Due to other agencies	9,519,301	792,425	10,311,726
Total current liabilities	9,553,360	808,542	10,361,902
Total Liabilities	9,553,360	808,542	10,361,902
Net Position			
Investment in capital assets	61,967	-	61,967
Unrestricted	(334,667)	(641,186)	(975,853)
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, 2016

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Operating Revenues			
Charges for services	$ 1,681,542	$ 2,358,857	$ 4,040,399
Total Operating Revenue	1,681,542	2,358,857	4,040,399
Operating Expenses			
Personal services	329,450	-	329,450
Services and supplies	1,348,392	2,358,857	3,707,249
Depreciation	3,700	-	3,700
Total Operating Expense	1,681,542	2,358,857	4,040,399
Operating Income (Loss)	-	-	-
Net position (deficit) - beginning of year	(272,700)	(641,186)	(913,886)
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, 2016

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Cash flows from Operating Activities			
Cash received from customers	$ 1,681,542	$ 2,246,265	$ 3,927,807
Cash payments to suppliers for goods & services	(1,359,796)	(2,273,662)	(3,633,458)
Cash payments to employees for services	(321,746)	-	(321,746)
Net cash provided (used) by operating activities	-	(27,397)	(27,397)
Net increase (decrease) in cash & cash equivalents	-	(27,397)	(27,397)
Cash & cash equivalents - beginning of year	-	58,715	58,715
Cash & cash equivalents - end of year	$ -	$ 31,318	$ 31,318
Displayed as:			
Cash on hand and in banks	$ -	$ 31,318	$ 31,318
Restricted assets: Cash and investments, at cost	-	-	-
Totals	$ -	$ 31,318	$ 31,318

DECATUR COUNTY, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016

	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)	$ -	$ -	$ -
Depreciation	3,700	-	3,700
Change in Assets & Liabilities:			
(Increase) decrease in accounts receivable	-	(112,592)	(112,592)
Increase (decrease) in accounts payable	(41,692)	16,117	(25,575)
Increase (decrease) in accrued expenses	7,704	-	7,704
(Increase) decrease in due from other funds	30,288	69,078	99,366
Net cash provided (used) by operating activities	$ -	$ (27,397)	$ (27,397)

STATE REPORTING REQUIREMENTS

DECATUR COUNTY, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
For the Fiscal Year Ended June 30, 2016

Project	Original Estimated Cost	Expenditure Prior Year	Expenditure Current Year	Expenditure Total	Estimated Percentage of Completion
February 25, 2014					
County Wide Projects	$ 3,333,045	$ -	$ 108,533	$ 108,533	3.26%
Public Safety	3,800,475	-	123,200	123,200	3.24%
Public Works	5,067,300	-	46,721	46,721	0.92%
Regional Landfill	800,100	-	110,415	110,415	13.80%
Vehicle Fleet Upgrade	355,600	-	22,500	22,500	6.33%
Recreation/Debt service	1,955,800	-	169,521	169,521	8.67%
Industrial Park	595,630	-	3,192	3,192	0.54%
Total	$ 15,907,950	$ -	$ 584,082	$ 584,082	3.67%

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	$ 13,282,500	$ -	$ 1,717,103	$ 1,717,103
City of Attapulgus	555,450	-	71,806	71,806
City of Climax	348,450	-	45,046	45,046
City of Brinson	265,650	-	34,342	34,342
Hospital Authority	4,140,000		535,201	535,201
Total	$ 18,592,050	$ -	$ 2,403,498	$ 2,403,498

Reconciliation to SPLOST Capital Project Fund:	
Expenditures per Schedule above	$ 2,987,580
SPLOST debt service expenditures reported in the Debt Service Fund	(169,521)
Transfers to Prision Enterprise Fund	(15,000)
Grant proceeds expended for road projects	348,323
Net Adjustments Net Adjustments	163,802
Expenditures and transfers per Statements on page 6	$ 3,151,382

DECATUR COUNTY, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
For the Fiscal Year Ended June 30, 2016

Project	Original Estimated Cost	Final Estimated Cost	Expenditure			Estimated Percentage of Completion
			Prior Year	Current Year	Total	
September 16, 2008						
Silver Lake Property	$ 3,000,000	$ 1,422,217	$ 1,422,217	$ -	$ 1,422,217	100.00%
Telecommunications System	2,500,000	2,892,878	2,892,878	-	2,892,878	100.00%
Landfill	3,000,000	4,034,605	4,034,605	-	4,034,605	100.00%
Fire/EMS/911 Center	1,000,000	162,665	162,665	-	162,665	100.00%
AG Center (Ext. Service/FSA)	260,750	765,118	765,118	-	765,118	100.00%
Spec Building	190,000	56,528	56,528	-	56,528	100.00%
Jail	250,000	297,960	297,960	-	297,960	100.00%
Fire Department Equip. & Facilities	660,000	27,411	27,411	-	27,411	100.00%
Public Safety Equipment	750,000	168,389	168,389	-	168,389	100.00%
Road & Bridge Improvements	6,200,000	4,494,127	4,493,647	480	4,494,127	100.00%
Total	$ 17,810,750	$ 14,321,898	$ 14,321,418	$ 480	$ 14,321,898	100.00%

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	Original Estimated Cost	Prior Year	Current Year	Total
City of Bainbridge	$ 13,467,743	$ 9,641,472	$ 9,641,472	$ -	$ 9,641,472
City of Attapulgus	564,075	403,817	403,817	-	403,817
City of Climax	342,869	245,456	245,456	-	245,456
City of Brinson	258,073	184,753	184,753	-	184,753
Hospital Authority	4,424,115	3,167,196	3,167,196	-	3,167,196
Total	$ 19,056,875	$ 13,642,694	$ 13,642,694	$ -	$ 13,642,694

Reconciliation to SPLOST Capital Project Fund:		
Expenditures per Schedule above	$	480
Expenditures and transfers per Statements on page 6	$	480

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, 2016

	Per Audited Financials	Per Local Revolving Loan Semi-Annual Report
Assets		
Cash	$ 190,678	$ 190,678
Notes receivable	368,401	368,401
Total Assets	$ 559,079	$ 559,079
Liabilities and fund balance	$ 559,079	$ 559,079

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

Simmons-McIntyre Rd

Grant # 14p-y-043-1-5659

June 30, 2016

Total Program Year 2015 funds allocated to recipient	$ 500,000
Less: Total Program Year 2015 funds drawn down by recipient	71,928
Funds still available from Program Year 2015 Resources	$ 428,072
Total Program Year 2015 funds held at Fiscal Year-End	$ -
Total Program Year 2015 funds drawn down and received by recipient	71,928
Less: Funds applied and expended to Program Year 2015 costs	71,928
TOTAL PROGRAM YEAR 2015 FUNDS HELD BY RECIPIENT	$ -

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

Simmons-McIntyre Rd

Grant # 14p-y-043-1-5659

June 30, 2016

Activity Number	Latest Approved Budget CDBG Funds	Current Period Expenditures	Prior Period Expenditures	Grand Total Expenditures to Date	Questioned Costs
P-03K-01	$ 278,377	$ -	$ -	$ -	$ -
T-03K-01	33,405	21,335	12,070	33,405	-
P-03K-02	120,075	1,530	-	1,530	-
T-03K-02	12,993	12,993	-	12,993	-
C-022-00	25,150	-	-	-	-
A-21A-00	30,000	12,000	12,000	24,000	-
TOTAL	$ 500,000	$ 47,858	$ 24,070	$ 71,928	$ -

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2016

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		
	Expenditures (UCOA Activity 3800)		
2	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	_____		$ _____
	_____		$ _____
	_____		$ _____
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
3a	Lease costs	46-5-134(f)(1)(A)	$ _____
3b	Purchase costs	46-5-134(f)(1)(A)	$ _____
3c	Maintenance costs	46-5-134(f)(1)(A)	$ _____
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	$ _____
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2		
5a	Salaries and wages	46-5-134(f)(1)(C)	$ 527,761
5b	Employee benefits	46-5-134(f)(1)(C)	$ 171,346
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$ 2,681
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	$ 6,893
8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(f)(1)(F)	$ _____
8b	Purchase costs	46-5-134(f)(1)(F)	$ _____
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:		
9a	Lease costs	46-5-134(f)(1)(G)	$ _____
9b	Purchase costs	46-5-134(f)(1)(G)	$ _____
9c	Maintenance costs	46-5-134(f)(1)(G)	$ 305
10	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)(1)(H)	$ _____

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2016

11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
11a	Lease costs	46-5-134(f)(1)(I)	$
11b	Purchase costs	46-5-134(f)(1)(I)	$
11c	Maintenance costs	46-5-134(f)(1)(I)	$
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	$
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2(B)(ii)	$
13b	Purchase costs	46-5-134(f)(2(B)(ii)	$
13c	Maintenance costs	46-5-134(f)(2(B)(ii)	$
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	$
15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2(B)(iv)	$
15b	Purchase costs	46-5-134(f)(2(B)(iv)	$
15c	Maintenance costs	46-5-134(f)(2(B)(iv)	$
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2(B)(v)	$ 77,610
16b	Purchase costs	46-5-134(f)(2(B)(v)	$
16c	Maintenance costs	46-5-134(f)(2(B)(v)	$
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.		
	Telephone		$ 15,047
	Postage		$ 42
	Travel		$ 3,577
			$
	Dues and subscriptions		$ 100
	Contractual Services		$ 193,311

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2016

	Energy	$	10,484
	Administrative cost - **paid with resources transferred from General Fund**	$	62,697
	Other costs and services	$	9,706
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)	$	1,081,560

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 Pete Stephens Date January 4, 2017

Print Name of Chief Financial Officer Pete Stephens

Title of Chief Elected Official Vice Chairman

Signature of Chief Financial Officer Michelle West Date January 4, 2017

Print Name of Chief Financial Officer Michelle West

GOVERNMENTAL AUDITING STANDARDS REQUIREMENTS

Coastal CPAs, LLC

BEN P. LEE, CPA, CFF, CGMA, CGFM, CGFO
JAMES F. BARGER, CPA, CGMA
PAMELA A. MELTON, CPA, CGMA
JOSLYN SLOAN, CPA
TINA OWENS, CPA, CGMA
J. DENNIS SILVA, P.C., CPA, CGMA
DOUGLAS D. THORNTON, CPA
JAMIE B. CURTIS, CPA, CGMA
TRACY EVERLY

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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2016, and the related notes to the financial statements, which collectively comprise Decatur County's basic financial statements and have issued our report thereon dated January 9, 2017. Other auditors audited the financial statements of the Decatur County Health Department, the Hospital Authority of Bainbridge, Decatur County, Georgia, and the Development Authority of Bainbridge and 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 County'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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*.

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Members of: American Institute of Certified Public Accountants | Georgia Society of Certified Public Accountants
Governmental Finance Officers Association | Association of Government Accountants | Association of Certified Fraud Examiners

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Coastal CPAs, LLC

Coastal CPAs, LLC
St. Simons Island, Georgia
January 9, 2017

DECATUR COUNTY, GEORGIA
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2016

FINANCIAL STATEMENT AUDIT

15-001 Improper Segregation of Duties

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

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

Corrective action is not financially feasible and management response is sufficient to address this finding.

NON-COMPLIANCE WITH LAWS AND REGULATIONS

15-002 Expenditures Exceeding Budgets

Finding Summary – The County was not in compliance with state budget statutes for the year ended June 30, 2015. State budget statues require departmental expenditures to not exceed their budget at the legal level of control. The Georgia statutes define the legal level of control at a minimum to be at the department level. The following departments within the general fund had expenditures over appropriations:

Department	Fund	Balance Over Budget
Tax Commissioner	General	$ 25,326
Clerk of Courts	General	$ 11,414
State Court	General	$ 1,333
Magistrate Court	General	$ 15,272
Probate Court	General	$ 10,498
Juvenile Court	General	$ 9,177
Sheriff	General	$ 70,160
Jail	General	$ 85,683
Corrections	General	$ 173,352
Fire	General	$ 21,253
Public Safety/Communications	General	$ 6,291
EMS	General	$ 577,235
Maintenance and Shop	General	$ 2,335

Parks	General	$	21,828
Industrial Park	General	$	9,285
Tax Assessor	General	$	6,934
General Government Buildings and Grounds	General	$	26,964
Superior Court	General	$	12,008

Status – Management concurred with the findings related to the expenditures exceeding appropriations. Management monitors expenditures on an ongoing basis and prepares needed budget amendments.

Corrective action has been taken and the finding is corrected for the year ended June 30, 2016.