Decatur County, Georgia

Report on Examination of Financial Statements

For the Fiscal Year Ended
June 30, 2017

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

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, 2017, 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 32.85%, 15.99% and 62.70%, 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

100 MAIN STREET | ST. SIMONS ISLAND, GA 31522 | OFFICE 912.638.1010 | FAX 912.638.1013
Members of: American Institute of Certified Public Accountants | Georgia Society of Certified Public Accountants
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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, 2017, 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, 86-88, and 89-92, 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 (page 111) 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 93-110, Community Development Block Grant schedules on pages 112-114, and the Annual Report of 911 Expenditures on pages 115-117 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 December 28, 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
December 28, 2017

DECATUR COUNTY, GEORGIA

REPORT ON EXAMINATION

OF

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2017

DECATUR COUNTY, GEORGIA
For The Fiscal Year Ended June 30, 2017
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DECATUR COUNTY, GEORGIA
For The Fiscal Year Ended June 30, 2017
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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, 2017. 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, an increase of $2,601,262 from the previous fiscal year.

- Total combined revenues for governmental and business-type activities were $29,180,255.
- Overall expenses were $26,578,993, of which governmental activities were $19,982,699 and business-type activities were $6,596,294.
- As of June 30, 2017, governmental activities' expenses exceeded program revenue, resulting in the use of $18,849,312 in general revenues (primarily taxes).
- In the County's business-type activities, revenues were $5,412,502 and expenses were $6,596,294, for an operating loss of $1,183,792 for 2017. Operating gains for the County's business-type activities are also supplemented by general revenues.
- The General Fund resources available for appropriation were ($557,003) more than budgeted and expenditures were $831,569 less than budgeted.
- The combined governmental funds' balance as of June 30, 2017 was $5,614,578, of which the General Fund comprised $4,538,851 the Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Funds comprised $923,866, and other governmental funds comprised $151,861.
- The General Fund reported an increase of $2,271,622 in unassigned fund balance to $3,135,285 from the prior fiscal year

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 1- 3) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. The governmental fund financial statements start on page 4. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Government-wide Reporting

The Statement of Net Position and the Statement of Activities

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

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

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

- Governmental activities—Most of the County's basic services are reported here, including the public safety, public works, judiciary, health, welfare, culture, recreation, development, as well as general administration. Property taxes, sales taxes, fees, fines, and state and federal grants finance most of these activities.
- Business-type activities—The County charges a fee to customers to help it cover the cost of certain services it provides. The County's Airport, Natural Gas, Landfill, Water and Sewer, 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 106. These agency funds' balances are due to other funds, agencies and individuals as of the fiscal year end. We exclude these activities from the County's other financial statements because the County cannot use these assets to

finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

NET POSITION

The County's combined net position increased by $2,601,262 from a year ago—from $46,702,363 to $49,303,625. 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:	2016	2017	2016	2017	2016	2017	2016-2017
Current assets	$ 4,903	$ 6,651	$ 6,066	$ 6,814	$ 10,969	$ 13,465	22.8%
Capital assets- net	31,029	31,557	23,011	22,416	54,040	53,973	-0.1%
Total assets	**35,932**	**38,208**	**29,077**	**29,230**	**65,009**	**67,438**	**3.7%**
Deferred Outflow of Resources							
Pension	433	365	103	87	62	452	100.0%
Total Deferred Ouflow of Resources	433	365	103	87	62	452	100.0%
Liabilities:							
Long-term debt outstanding	3,213	2,420	6,255	6,093	9,468	8,513	-10.1%
Other liabilities	4,783	5,160	4,592	4,914	9,375	10,074	7.5%
Total liabilities	**7,996**	**7,580**	**10,847**	**11,007**	**18,843**	**18,587**	**-1.4%**
Net position:							
Net investment in capital assets	27,816	29,137	16,756	16,323	44,572	45,460	2.0%
Restricted	2,642	1,199	-	88	2,642	1,287	-51.3%
Unrestricted (deficit)	(2,089)	657	1,577	1,899	(512)	2,556	-599.2%
Total net position *	**$ 28,369**	**$ 30,993**	**$ 18,333**	**$ 18,310**	**$ 46,702**	**$ 49,303**	**5.6%**

The County's total net position (governmental and business-type activities) was $49,303,625 as of June 30, 2017. The County's unrestricted net position was a positive $2,555,359 at June 30, 2017; however, $45,460,505 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 .13% percent to $18,310,104 compared to $18,333,092 in 2016.

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CHANGES IN NET POSITION

The County's total change in net position was a positive $2,601,262 from the prior fiscal year as a result of a positive $3,368,643 in its governmental activities and a negative $767,381 in its business-type activities.

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

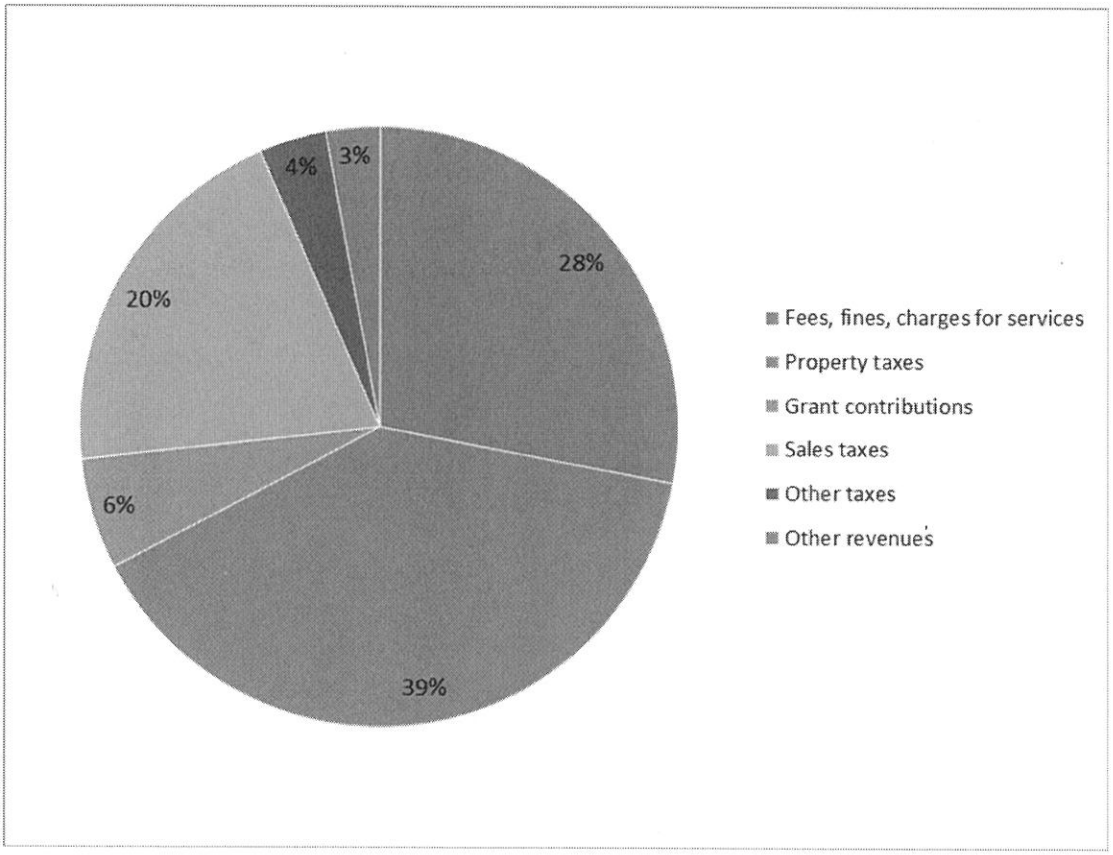
	Governmental Activities		Business Type Activities		Total Primary Government		Total % Change
	2016	2017	2016	2017	2016	2017	2016-2017
Revenues							
Program revenues:							
Charges for services	$ 2,077	$ 2,828	$ 5,148	$ 5,338	$ 7,225	$ 8,166	13.0%
Operating grants	725	802	-	75	725	877	21.0%
Capital grants	48	872	193	-	241	872	261.8%
General revenues:							
Property taxes	10,227	11,456	-	-	10,227	11,456	12.0%
Other taxes	7,188	6,953	-	-	7,188	6,953	-3.3%
Grants not restricted to specific programs	1	-	-	-	1	-	-100.0%
Investment earnings	57	99	4	4	61	103	68.9%
Miscellaneous	333	613	-	-	333	613	84.1%
Total general / program revenues	**20,656**	**23,623**	**5,345**	**5,417**	**26,001**	**29,040**	**11.7%**
Program Expense							
General government	1,476	1,531	-	-	1,476	1,531	3.7%
Judicial	1,613	1,592	-	-	1,613	1,592	-1.3%
Public safety	11,747	12,226	-	-	11,747	12,226	4.1%
Public works	3,987	3,587	6,633	6,596	10,620	10,183	-4.1%
Health and welfare	133	134	-	-	133	134	0.8%
Culture and recreation	97	110	-	-	97	110	13.4%
Housing and development	547	767	-	-	547	767	40.2%
Interest and fiscal charges	45	36	-	-	45	36	-20.0%
Total program expenses	**19,645**	**19,983**	**6,633**	**6,596**	**26,278**	**26,579**	**1.1%**
Changes in net position before transfers	1,011	3,640	(1,288)	(1,179)	(277)	2,461	988.4%
Special item	97	61	(106)	80	(9)	141	-1666.7%
Transfers	(15)	(332)	15	332	-	-	-
Changes in net position	**$ 1,093**	**$ 3,369**	**$ (1,379)**	**$ (767)**	**$ (286)**	**$ 2,602**	**1009.8%**

Depreciation expenses of $3,115,063 were allocated to the governmental and business type activities. $1,894,849 was allocated to the function of governmental activities and $1,220,214 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, 20% by sales taxes, 4% by other taxes, and the remaining 9% by a combination of grants, contributions, investment income and other revenues. The County charges fees for services as varied as providing copies of documents, issuing building

permits, water and sewer, airport, natural gas, landfill, inmate housing/labor and Emergency 911, in addition, the Courts (Superior, State, Probate, Magistrate & Juvenile) impose fines for violations of laws and ordinances.

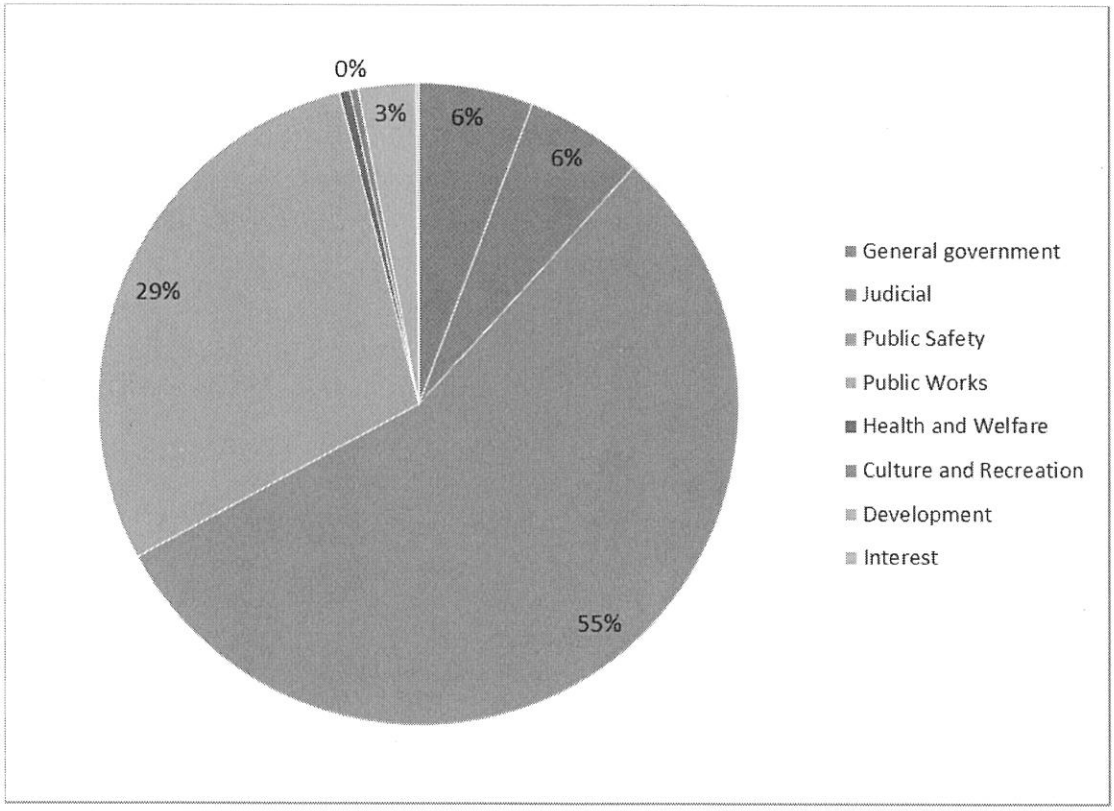
Revenue Sources – FY 2017



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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 2017



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 2017 fiscal year with a balance of $5,614,578 in its governmental funds. Restricted fund balance is made up of $8,334 restricted for legal reference materials, $266,481 restricted for public safety, $717 restricted for economic development, and $923,866 restricted for other projects. There is $0 in the General Fund that is committed to retirement. Unassigned fund balance was $3,135,285 in the General Fund, and a deficit of $123,671 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 $4,538,851, with a $3,135,285 listed as unassigned.

The fund balance in the General Fund increased $1,979,083 during FY 2017, primarily due to revenues in exceeding expenditures.

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, 2017.

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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 February 25, 2014, the voters approved a six year SPLOST referendum (SPLOST VI Fund) which began on April 1, 2015. Capital projects approved in the referendum are as follows:

County Wide Projects		$ 3.30	Million
Public Safety		3.80	Million
Public Works		5.10	Million
Regional Landfill		0.80	Million
Vehicle Fleet Upgrade		0.40	Million
Recreation/Debt service		2.00	Million
Industrial Park		0.60	Million
	Total	$ 16.00	Million

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SPLOST expenditures during FY 2017 consisted of the following:

Description	SPLOST VI
County Wide Projects	$ 96,469
Public Safety	720,727
Public Works	173,654
Recreation/Debt Service	169,521
Total	$ 1,160,371
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	
Total expenditudres from above	$ 1,160,371
Intergovernmental	2,091,978
Total expenditures	3,252,349
SPLOST Debt Service expenditures	(169,521)
Transfers to Prinson Enterprise Fund	(16,015)
Grant proceeds expended for road projects	1,182,020
Net Adjustments	996,484
Expenditures and transfers per Statements on page 6	$ 4,248,833

Additional information on the SPLOST Capital Projects funds can be found on pages 4-7 and page 111.

Other Governmental Funds

Combined assets were $1,113,507; liabilities $961,646; restricted fund balance was $275,532; unassigned fund balance was a negative $123,671 for the year ended June 30, 2017. 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
- E-911 Radio System Fund
- K-9 Drug 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, Golf Course, and Prison Funds had combined operating losses which totaled $1,061,080. This compares to last year's operating income of Water and Sewer, Natural Gas, Airport, Landfill, Golf Course, and Prison Funds of $1,389,585. 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 106 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 $1,529,595.

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 $1,900,083.

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 $557,003 more than budgeted and actual expenditures were $831,569 less than budgeted and other financing sources/uses and special items reflects a negative $481,512 variance resulting in the increase in unassigned financial resources of $1,870,084.

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, 2017, amounts to $53,973,506 net of accumulated depreciation of $52,064,541. This investment in capital assets includes land, site improvements, construction-in-progress, buildings and building improvements, equipment, and infrastructure.

Total capital assets, net of additions, retirements and depreciation, increased $528,464 for governmental activities and decreased $594,741 for business-type activities. Depreciation expense for the period was $3,115,063, of which $774,864 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, 2017, Decatur County had $12,250,542 in outstanding long-term debt principal, of which $1,065,748 is due within one year. $551,783 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 $160,412. 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 $35,303. The landfill fund has an accrued liability of $779,377 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 $2,958,165 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 32.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2017 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, 2017

ASSETS	Governmental Activities	Business-Type Activities	Total	Total Component Units
Cash on hand and in banks	$ 8,943,525	$ 1,336,247	$ 10,279,772	$ 1,078,813
Pooled cash	126	-	126	-
Receivable (net, where applicable, of allowances for uncollectible):				
Taxes	228,091	-	228,091	-
Accounts	316,981	406,714	723,695	8,834,714
Other	313,614	-	313,614	2,129,765
Internal balances	(4,940,399)	4,940,399	-	-
Due from other governments	1,734,491	116,640	1,851,131	311,242
Inventory, at cost	15,775	-	15,775	447,002
Prepaid expenses	38,827	13,793	52,620	365,683
Restricted assets	-	-	-	2,822,880
Land and construction in progress	6,956,820	3,488,653	10,445,473	-
Other capital assets, net of depreciation	24,600,405	18,927,628	43,528,033	17,002,087
Total Assets	38,208,256	29,230,074	67,438,330	32,992,186
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow of resources-pension	364,798	87,108	451,906	211,506
Total Deferred Outflows of Resources	364,798	87,108	451,906	211,506
LIABILITIES				
Accounts payable and accrued expenses	518,588	348,447	867,035	6,239,960
Accrued liabilities	246,993	57,275	304,268	2,681,062
Unearned revenue	1,166,107	-	1,166,107	-
Long-term liabilities:				
Portion due and payable within one year:				
Capital leases, notes and bonds payable	443,230	622,518	1,065,748	323,631
Portion due and payable after one year:				
Capital leases, notes and bonds payable	1,976,732	5,470,519	7,447,251	729,088
Notes	-	-	-	12,876,747
Net Pension Liability	3,227,883	770,777	3,998,660	867,370
Accrued closure/postclosure costs	-	3,737,542	3,737,542	-
Compensated absences payable	-	-	-	70,636
Total Liabilities	7,579,533	11,007,078	18,586,611	23,788,494
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow of resources-pension	-	-	-	33,936
Total Deferred Inflows of Resources	-	-	-	33,936
NET POSITION				
Net investment in capital assets	29,137,263	16,323,244	45,460,507	7,125,065
Restricted for:				
Other projects	1,199,398	-	1,199,398	-
Other purposes	-	-	-	276,473
Family Planning	-	-	-	25,000
Donations	-	-	-	60,304
Rabies	-	-	-	10,000
Equipment	-	-	-	23,747
Migrant	-	-	-	10,491
Migrant Donations	-	-	-	10,000
Debt service	-	88,363	88,363	-
Expendable for Self-Insurance	-	-	-	738,818
Unrestricted	656,860	1,898,497	2,555,357	1,101,364
Total Net Position	$ 30,993,521	$ 18,310,104	$ 49,303,625	$ 9,381,262

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

DECATUR COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Governmental:								
General Government	$ 1,530,637	$ 72,591	$ -	$ 4,447	$ (1,453,599)		$ (1,453,599)	
Judicial	1,591,584	743,151	64,217	-	(784,216)		(784,216)	
Public Safety	12,225,789	1,252,110	681,195	446,244	(9,846,240)		(9,846,240)	
Public Works	3,587,460	752,811	-	431,204	(2,403,445)		(2,403,445)	
Health and Welfare	134,292	-	-	-	(134,292)		(134,292)	
Culture and Recreation	110,001	-	-	459	(109,542)		(109,542)	
Housing and Development	767,433	7,563	56,686	-	(703,184)		(703,184)	
Interest on long-term debt	35,503	-	-	-	(35,503)		(35,503)	
Total governmental activities	19,982,699	2,828,226	802,098	882,354	(15,470,021)		(15,470,021)	
Business-type:								
Water and Sewer	562,832	220,368	-	-	-	$ (342,464)	(342,464)	
Natural Gas	487,674	436,080	-	-	-	(51,594)	(51,594)	
Airport	764,628	362,269	-	-	-	(402,359)	(402,359)	
Landfill	2,303,755	2,190,248	-	-	-	(113,507)	(113,507)	
Prison	2,477,405	2,128,537	75,000	-	-	(273,868)	(273,868)	
Total business-type activities	6,596,294	5,337,502	75,000	-	-	(1,183,792)	(1,183,792)	
Total primary government	$ 26,578,993	$ 8,165,728	$ 877,098	$ 882,354				
Component units:								
Hospital Authority of Bainbridge and Decatur County	$ 45,360,994	$ 45,540,558	$ -	$ -				$ 179,564
Development Auth. Bdge & Dec. Co.	420,659	1,500	62,225	-				(356,934)
Decatur County Health Department	1,776,978	449,208	1,364,621	-				36,851
Total component units	$ 47,558,631	$ 45,991,266	$ 1,426,846	$ -				(140,519)

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

DECATUR COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2017

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Changes in Net position:				
Net (expenses) revenue (Page 2)	(15,470,021)	(1,183,792)	(16,653,813)	(140,519)
General revenues:				
Taxes				
Property taxes, levied for general purposes	11,456,385	-	11,456,385	217,627
Sales taxes	5,894,026	-	5,894,026	464,288
Intangible taxes	76,421	-	76,421	-
Insurance premium tax	793,140	-	793,140	-
Other general taxes	189,821	-	189,821	-
Investment earnings	87,923	3,947	91,870	-
Miscellaneous	612,123	-	612,123	94,378
Special item - sale of capital assets	61,132	80,157	141,289	165,000
Transfers	(332,307)	332,307	-	-
Total general revenues, extraordinary items, and transfers	18,838,664	416,411	19,255,075	941,293
Change in net position	3,368,643	(767,381)	2,601,262	800,774
Net position - beginning - as previously reported	28,369,271	18,333,092	46,702,363	8,580,488
Prior period adjustment-Change in Reporting Entity	(744,393)	744,393	-	-
Net position - beginning - as restated	27,624,878	19,077,485	46,702,363	8,580,488
Net position - ending	$ 30,993,521	$ 18,310,104	$ 49,303,625	$ 9,381,262

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

DECATUR COUNTY, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Debt Service Fund	SPLOST 6	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 5,987,212	$ -	$ 2,811,547	$ 106,372	$ 8,905,131
Taxes receivable, net	228,091	-	-	-	228,091
Due from other funds	5,862,215	-	-	637,879	6,500,094
Receivable from other governments	996,638	-	695,843	42,010	1,734,491
Other receivables	24,706	-	-	327,246	351,952
Inventories	15,775	-	-	-	15,775
Total assets	$ 13,114,637	$ -	$ 3,507,390	$ 1,113,507	$ 17,735,534
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 120,505	$ -	$ 341,340	$ 34,675	$ 496,520
Due to other agencies	8,072,602	-	1,387,791	598,805	10,059,198
Unearned revenue	-	-	854,393	311,714	1,166,107
Other accrued expenses	135,914	-	-	16,452	152,366
Other payables	83,708	-	-	-	83,708
Total liabilities	8,412,729	-	2,583,524	961,646	11,957,899
Deferred inflows of resources:					
Unavailable Revenues-Property Taxes	163,057	-	-	-	163,057
Total deferred inflows of resources	163,057	-	-	-	163,057
Fund balances:					
Nonspendable:					
Long-Term Interfund Receivable	1,387,791	-	-	-	1,387,791
Inventories	15,775	-	-	-	15,775
Restricted for:					
Legal Reference Materials	-	-	-	8,334	8,334
Public Safety	-	-	-	266,481	266,481
Economic Development	-	-	-	717	717
Other Projects	-	-	923,866	-	923,866
Unassigned	3,135,285	-	-	(123,671)	3,011,614
Total fund balances (deficit)	4,538,851	-	923,866	151,861	5,614,578
Total liabilities, deferred inflows of resources and fund balances	$ 13,114,637	$ -	$ 3,507,390	$ 1,113,507	$ 17,735,534

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet
to the Statements of Net Position
June 30, 2017

Total fund balance, governmental funds	$	5,614,578
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.		31,482,631
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.		(7,150)
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.		(976,548)
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.		163,057
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.		(2,863,085)
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.		(2,419,962)
Net Position of Governmental Activities in the Statement of Net Position	$	30,993,521

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General Fund	Debt Service Fund	SPLOST 6	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	$ 11,569,418	$ -	$ -	$ -	$ 11,569,418
Sales and miscellaneous taxes	3,173,895	169,521	3,671,532	-	7,014,948
Fees and fines	698,049	-	-	234,249	932,298
Licenses and permits	69,388	-	-	-	69,388
Intergovernmental	385,328	-	1,180,883	1,197,315	2,763,526
Charges for services	279,183	-	-	542,488	821,671
Investment earnings	87,717	-	10,648	2,996	101,361
Miscellaneous	320,771	-	-	-	320,771
Contributions and donations	2,085	-	-	-	2,085
Total Revenues	16,585,834	169,521	4,863,063	1,977,048	23,595,466
EXPENDITURES					
Current:					
General Government	1,382,187	-	-	6,530	1,388,717
Judicial	1,535,466	-	-	-	1,535,466
Public Safety	7,939,457	-	-	1,404,557	9,344,014
Public Works	2,443,058	-	-	-	2,443,058
Health and Welfare	114,103	-	-	-	114,103
Culture and Recreation	12,000	-	-	-	12,000
Housing and Development	397,712	-	-	254,927	652,639
Intergovernmental	-	-	2,091,978	-	2,091,978
Capital Outlay					
Public Safety	31,334	-	-	247,730	279,064
Public Works	-	-	2,156,855	-	2,156,855
Debt Service:					
Principal	565,032	159,579	-	68,317	792,928
Interest and other charges	16,268	9,942	-	9,293	35,503
Total Expenditures	14,436,617	169,521	4,248,833	1,991,354	20,846,325
Excess (deficiency) of revenues over expenditures	2,149,217	-	614,230	(14,306)	2,749,141
OTHER FINANCING SOURCES (USES)					
Transfers in	79,304	-	-	73,278	152,582
Transfers out	(389,570)	-	(16,015)	(79,304)	(484,889)
Total other financing sources (uses)	(310,266)	-	(16,015)	(6,026)	(332,307)
SPECIAL ITEM					
Proceeds from sale of assets	61,132	-	-	-	61,132
Net change in fund balances	1,900,083	-	598,215	(20,332)	2,477,966
Fund Balances (deficit) - beginning - originally stated	2,559,768	-	1,149,044	172,193	3,881,005
Prior Period Adjustment	79,000	-	(823,393)	-	(744,393)
Fund Balances (deficit) - beginning - as restated	2,638,768	-	325,651	172,193	3,136,612
Fund balances (deficit) - ending	$ 4,538,851	$ -	$ 923,866	$ 151,861	$ 5,614,578

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, 2017

Net change in fund balances - total governmental funds:	$	2,477,966
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as an expense. The outlay is allocated over the assets useful life. This is the amount by which capital outlay of $2,423,313 exceeded depreciation of $1,894,849 in the current period.		528,464
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.		(29,495)
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.		792,928
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		19,157
Net Pension liability		(339,122)
Deferred Outflows-Pension		(68,629)
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.		(12,626)
Change in net position of governmental activities	$	3,368,643

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2017

	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	$ 138,951	$ -	$ 43,071	$ 1,154,225	$ -	$ -	$ 1,336,247	$ 38,521
Accounts receivable	42,077	67,936	625	269,626	-	26,450	406,714	278,643
Due from other governments	-	-	-	-	-	116,640	116,640	-
Prepaid insurance	652	191	352	2,016	-	10,582	13,793	45,993
Due from other funds	1,328,455	996,931	-	3,466,122	-	16,015	5,807,523	10,323,698
Total current assets	1,510,135	1,065,058	44,048	4,891,989	-	169,687	7,680,917	10,686,855
Noncurrent assets:								
Property, plant & equipment (net of accumulated depreciation)	6,491,185	777,571	3,183,634	11,498,722	-	465,169	22,416,281	74,594
Total noncurrent assets	6,491,185	777,571	3,183,634	11,498,722	-	465,169	22,416,281	74,594
Total Assets	8,001,320	1,842,629	3,227,682	16,390,711	-	634,856	30,097,198	10,761,449
Deferred outflow of resources-pension								
Deferred outflow of resources-pension	2,174	336	5,701	22,350	-	56,547	87,108	-
Total Deferred outflows of resources	2,174	336	5,701	22,350	-	56,547	87,108	-
Liabilities								
Current liabilities:								
Accounts payable	7,750	73,083	39,545	195,186	-	32,883	348,447	20,008
Accrued expenses	3,390	442	3,657	8,610	-	30,879	46,978	12,986
Due to other funds	182,231	51,379	7,748	688,421	-	-	929,779	11,642,340
Accrued interest-G.E.F.A.	10,305	-	-	-	-	-	10,305	-
Note payable-G.E.F.A.	126,561	-	-	191,689	-	-	318,250	-
Capital leases	-	-	-	304,268	-	-	304,268	-
Total current liabilities	330,237	124,904	50,950	1,388,174	-	63,762	1,958,027	11,675,334
Noncurrent liabilities:								
Note payable-G.E.F.A.	2,866,597	-	-	338,329	-	-	3,204,926	-
Net pension Obligation	19,238	2,976	50,445	197,764	-	500,354	770,777	-
Accrued closure/postclosure costs	-	-	-	3,737,542	-	-	3,737,542	-
Note payable-G.E.F.A.	-	-	-	1,543,795	-	-	1,543,795	-
Capital leases	-	-	-	721,798	-	-	721,798	-
Total noncurrent liabilities	2,885,835	2,976	50,445	6,539,228	-	500,354	9,978,838	-
Total Liabilities	3,216,072	127,880	101,395	7,927,402	-	564,116	11,936,865	11,675,334
Net Position								
Net investment in capital assets	3,498,027	777,571	3,183,634	8,398,843	-	465,169	16,323,244	74,594
Restricted for debt service	88,363	-	-	-	-	-	88,363	-
Unrestricted	1,201,032	937,514	(51,646)	86,816	-	(337,882)	1,835,834	(988,479)
Total Net Position	$ 4,787,422	$ 1,715,085	$ 3,131,988	$ 8,485,659	-	$ 127,287	18,247,441	$ (913,885)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							62,663	
Net position of business-type activities							$ 18,310,104	

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds							
	Water and Sewer	Natural Gas	Airport	Landfill	Golf Course	Prison	Totals	Internal Service Funds
Operating Revenues								
Charges for services	$ 220,366	$ 436,078	$ 332,850	$ 2,190,250	$ -	$ 2,203,536	$ 5,383,080	$ 4,197,554
Rental income	-	-	29,418	-	-	-	29,418	-
Total Operating Revenue	220,366	436,078	362,268	2,190,250	-	2,203,536	5,412,498	4,197,554
Operating Expenses								
Personal services	155,016	4,535	126,523	449,660	-	1,515,737	2,251,471	621,809
Services and supplies	226,915	437,658	378,046	764,662	-	730,813	2,538,094	3,571,698
Allocated administration cost	40,080	25,871	36,522	122,293	-	182,718	407,484	-
Depreciation	145,072	19,610	223,537	792,208	-	48,137	1,228,564	4,047
Closure post - closure cost	-	-	-	47,965	-	-	47,965	-
Total Operating Expense	567,083	487,674	764,628	2,176,788	-	2,477,405	6,473,578	4,197,554
Operating Income (Loss)	(346,717)	(51,596)	(402,360)	13,462	-	(273,869)	(1,061,080)	-
Nonoperating Revenues (Expenses)								
Interest earned	3,947	-	-	-	-	-	3,947	-
Interest expense	(73,448)	-	-	(49,268)	-	-	(122,716)	-
Total Nonoperating Revenues (Expenses)	(69,501)	-	-	(49,268)	-	-	(118,769)	-
Net Income before Special Item	(416,218)	(51,596)	(402,360)	(35,806)	-	(273,869)	(1,179,849)	-
Special Item - Gain (Loss) on - disposal of assets	-	-	-	80,157	-	-	80,157	-
Net Income before Transfers	(416,218)	(51,596)	(402,360)	44,351	-	(273,869)	(1,099,692)	-
Transfers								
Transfers in	-	-	316,292	-	5,879	429,361	751,532	-
Transfers out	-	-	-	(419,225)	-	-	(419,225)	-
Net transfers in (out)	-	-	316,292	(419,225)	5,879	429,361	332,307	-
Change in net position	(416,218)	(51,596)	(86,068)	(374,874)	5,879	155,492	(767,385)	-
Net position-beginning of the year-originally stated	5,203,640	1,022,288	3,218,056	8,860,533	(5,879)	(28,205)		(913,885)
Prior period adjustment	-	744,393	-	-	-	-		-
Net position-beginning of year as restated	5,203,640	1,766,681	3,218,056	8,860,533	(5,879)	(28,205)		(913,885)
Net position - end of year	$ 4,787,422	$ 1,715,085	$ 3,131,988	$ 8,485,659	$ -	$ 127,287		$ (913,885)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							4	
Change in net position - business-type activities							$ (767,381)	

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, 2017

	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	$ 679,833	$ 412,824	$ 363,014	$ 2,201,447	$ -	2,146,867	$ 5,803,985	$ 4,054,948
Cash payments to suppliers for goods & services	(772,980)	(408,289)	(538,276)	205,939	(5,879)	(1,044,476)	(2,563,961)	(3,404,045)
Cash payments to employees for services	(153,512)	(4,535)	(126,523)	(449,660)	-	(1,515,737)	(2,249,967)	(627,023)
Net cash provided (used) by operating activities	(246,659)	-	(301,785)	1,957,726	(5,879)	(413,346)	990,057	23,880
Cash flows from Noncapital Financing Activities								
Transfers in (out)	-	-	316,292	(419,225)	5,879	429,361	332,307	-
Net cash provided (used) by noncapital financing activities	-	-	316,292	(419,225)	5,879	429,361	332,307	-
Cash Flows from Capital & Related Financing Activities								
Acquisition & construction of capital assets	-	-	(8,350)	(609,457)	-	(16,015)	(633,822)	(16,677)
Principal paid on revenue bonds & loans	(123,562)	-	-	(190,505)	-	-	(314,067)	-
Interest paid on revenue bonds & loans	(73,448)	-	-	-	-	-	(73,448)	-
Proceeds from Capital Leases and Gefa NP	-	-	-	453,294	-	-	453,294	-
Principal payments - capital leases	-	-	-	(301,271)	-	-	(301,271)	-
Proceeds from sales of timber & other assets	-	-	-	80,157	-	-	80,157	-
Interest paid on capital leases	-	-	-	(49,268)	-	-	(49,268)	-
Net cash provided (used) from Capital and related financing activities	(197,010)	-	(8,350)	(617,050)	-	(16,015)	(838,425)	(16,677)
Cash flows from Investing Activities								
Interest income	3,947	-	-	-	-	-	3,947	-
Net cash provided (Used) from investing activities	3,947	-	-	-	-	-	3,947	-
Net increase (decrease) in cash & cash equivalents	(439,722)	-	6,157	921,451	-	-	487,886	7,203
Cash & cash equivalents - beginning of year	578,673	-	36,914	232,774	-	-	848,361	31,318
Cash & cash equivalents - end of year	$ 138,951	$ -	$ 43,071	$ 1,154,225	$ -	-	$ 1,336,247	$ 38,521
Displayed as:								
Cash on hand and in banks	$ 138,951	$ -	$ 43,071	$ 1,154,225	$ -	-	$ 1,336,247	$ 38,521
Totals	$ 138,951	$ -	$ 43,071	$ 1,154,225	$ -	$ -	$ 1,336,247	$ 38,521

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, 2017

	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)	$ (346,717)	$ (51,596)	$ (402,360)	$ 13,462	$ -	$ (273,869)	$ (1,061,080)	$ -
Adjustments to reconcile operating income to net cash provided by operating activities								
Depreciation	145,072	19,610	223,537	792,208	-	48,137	1,228,564	4,047
Change in Assets & Liabilities:								
(Increase) decrease in accounts receivable	459,467	(16,305)	1,335	11,197	-	(56,669)	399,025	(142,606)
(Increase) decrease in prepaid insurance	(190)	(125)	(153)	(984)	-	(5,549)	(7,001)	-
Increase (decrease) in accounts payable	(9,739)	73,019	21,471	155,864	(60)	12,147	252,702	(11,964)
Increase (decrease) in accrued expenses	1,504	(6,949)	(589)	50,573	-	40,570	85,109	(5,214)
(Increase) decrease in due from other funds	(496,056)	(17,654)	(145,026)	935,406	(5,819)	(178,113)	92,738	179,617
Net cash provided (used) by operating activities	$ (246,659)	$ -	$ (301,785)	$ 1,957,726	$ (5,879)	$ (413,346)	$ 990,057	$ 23,880

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2017

ASSETS

Cash	$ 878,623
Receivables	650,972
Total Assets	$ 1,529,595

LIABILITIES

Due to other agencies	$ 1,340,517
Due to others	189,078
Total Liabilities	$ 1,529,595

The accompanying notes are an integral part of these financial statements

DECATUR COUNTY, GEORGIA
Statement of Net Position
Component Units
June 30, 2017

	Hospital Authority of Bainbridge, Decatur County, GA March 31, 2017	Decatur County Health Department June 30, 2017	Development Authority of Bainbridge and Decatur Co. December 31, 2016	Totals
Assets				
Cash	$ 181,307	$ 619,271	$ 278,235	$ 1,078,813
Accounts receivable - less allowance for uncollectible	8,834,714	-	-	8,834,714
Other receivables	1,127,365	3,942	219,885	1,351,192
Due from DPH	-	118,668	-	118,668
Due from DCH	-	192,574	-	192,574
Estimated third party payer settlements	500,646	-	-	500,646
Inventories	447,002	-	-	447,002
Prepaid expenses	365,683	-		365,683
Total current assets	11,456,717	934,455	498,120	12,889,292
Assets limited as to use:				
Internally designated for capital improvements	71,618	-	-	71,618
Internally designated for self-insurance	738,818	-	-	738,818
Restricted by bond indenture for capital improvements	2,012,444	-	-	2,012,444
Total assets limited as to use	2,822,880	-	-	2,822,880
Property, plant and equipment, net	13,579,741	72,195	3,350,151	17,002,087
Notes receivable	264,832	-	-	264,832
Other assets	13,095	-	-	13,095
Total assets	28,137,265	1,006,650	3,848,271	32,992,186
Deferred Outflows	-	211,506	-	211,506
Total assets & deferred outflows	$ 28,137,265	$ 1,218,156	$ 3,848,271	$ 33,203,692
Current liabilities:				
Current installments of long-term debt	$ 194,127	$ -	$ 129,504	$ 323,631
Short-term debt	-	-	-	-
Accounts payable, trade	6,183,195	45,565	11,200	6,239,960
Accrued liabilities	2,356,573	49,199	744	2,406,516
Estimated third party payer settlement	274,546	-	-	274,546
Total current liabilities	9,008,441	94,764	141,448	9,244,653
Compensated absences	-	70,636	-	70,636
Net Pension Liability	-	867,370	-	867,370
Long-term debt, excluding current installments	11,370,000	-	1,506,747	12,876,747
Capital lease obligations, excluding current portion	729,088	-	-	729,088
	12,099,088	938,006	1,506,747	14,543,841
Total liabilities	21,107,529	1,032,770	1,648,195	23,788,494
Deferred Inflows	-	33,936	-	33,936
Total liabilities & deferred inflows	21,107,529	1,066,706	1,648,195	23,822,430
Net position:				
Net investment in capital assets	5,338,970	72,195	1,713,900	7,125,065
Restricted:				
Expendable for self-insurance	738,818	-	-	738,818
Other Purposes	-	276,473	-	276,473
Family Planning	-	25,000	-	25,000
Donations	-	60,304	-	60,304
Rabies	-	10,000	-	10,000
Equipment	-	23,747	-	23,747
Migrant	-	10,491	-	10,491
Migrant Donations	-	10,000	-	10,000
Unrestricted	951,948	(336,760)	486,176	1,101,364
Total net position	7,029,736	151,450	2,200,076	9,381,262
Total liabilities, deferred inflows and net position	$ 28,137,265	$ 1,218,156	$ 3,848,271	$ 33,203,692

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, 2017

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position			
Activities:	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Hospital Authority	Health Department	Development Authority of Bainbridge and Decatur Co.	Total
Component units:							
Hospital Authority of Bainbridge, Decatur County, Georgia	$ 45,360,994	$ 45,540,558	$ -	$ 179,564	$ -	$ -	$ 179,564
Decatur County Health Department	1,776,978	449,208	1,364,621	-	36,851	-	36,851
Development Authority of Bainbridge and Decatur Co.	420,659	1,500	62,225	-	-	(356,934)	(356,934)
Total component units	$ 47,558,631	$ 45,991,266	$ 1,426,846	179,564	36,851	(356,934)	(140,519)
	General Revenues:						
	Property taxes			-	-	217,627	217,627
	Sales taxes			464,288	-	-	464,288
	Other			89,584	-	4,794	94,378
	Gain (Loss) on disposal of capital assets			-	-	165,000	165,000
	Total General Revenues			553,872	-	387,421	941,293
	Change in net position			733,436	36,851	30,487	800,774
	Net position - beginning			6,296,300	114,599	2,169,589	8,580,488
	Net position - ending			$ 7,029,736	$ 151,450	$ 2,200,076	$ 9,381,262

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 6 Capital Projects Funds – This capital project fund was 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, 2017: 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, 2017, 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, 2017.

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 May 23, 2016. 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 $ 163,057 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, 2017 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 $126 invested in the State of Georgia Local Government Investment Pool (Georgia Fund 1) as of June 30, 2017. 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, 2017, property taxes were levied on August 12, 2016, and were due and payable at that time. All unpaid taxes levied on August 12, 2016, became delinquent on December 20, 2016, 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, 2017was as follows:

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 4,842,314	$ -	$ -	$ 4,842,314
Land under roads	1,254,366	-	-	1,254,366
Construction in progress	263,946	1,662,261	1,066,067	860,140
Total capital assets not being depreciated	6,360,626	1,662,261	1,066,067	6,956,820
Capital assets being depreciated:				
Automobiles	3,373,749	152,878	-	3,526,627
Buildings	20,591,213	53,003	-	20,644,216
Infrastructure	26,072,810	1,066,067	-	27,138,877
Camera/security equipment	91,435	14,853	-	106,288
Computers	176,452	69,481	-	245,933
Capital asset software	52,341	-	-	52,341
Cooler	8,820	-	-	8,820
Fire equipment	2,798,017	-	-	2,798,017
Food service equipment	127,101	-	-	127,101
Fixtures	44,707	-	-	44,707
Heavy equipment	4,410,153	-	-	4,410,153
Laundry equipment	27,260	9,102	-	36,362
Machinery	725,572	344,076	-	1,069,648
Radios	1,552,769	117,659	-	1,670,428
Miscellaneous equipment	138,274	-	-	138,274
Office equipment	605,987	-	-	605,987
Total capital assets being depreciated	60,796,660	1,827,119	-	62,623,779
Less accumulated depreciation for:				
Automobiles	2,759,680	116,136	-	2,875,816
Buildings	8,739,578	447,489	-	9,187,067
Infrastructure	16,764,336	774,864	-	17,539,200
Camera/security equipment	76,099	8,381	-	84,480
Computers	158,299	14,688	-	172,987
Capital asset software	52,341	-	-	52,341
Cooler	8,820	-	-	8,820
Fire equipment	2,600,741	33,716	-	2,634,457
Food service equipment	102,082	12,010	-	114,092
Fixtures	42,599	2,110	-	44,709
Heavy equipment	3,113,527	223,160	-	3,336,687
Laundry equipment	27,259	152	-	27,411
Machinery	677,129	30,542	-	707,671
Radios	375,152	214,565	-	589,717
Miscellaneous equipment	48,142	12,369	-	60,511
Office equipment	582,741	4,667	-	587,408
Total Accumulated Depreciation	36,128,525	1,894,849	-	38,023,374
Governmental activities capital assets, net	$ 31,028,761	$ 1,594,531	$ 1,066,067	$ 31,557,225

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Business-type Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 1,968,405	$ -	$ -	$ 1,968,405
Construction in progress	910,790	609,458	-	1,520,248
Total capital assets not being depreciated	2,879,195	609,458	-	3,488,653
Capital assets being depreciated:				
Buildings	3,195,655	-	-	3,195,655
Structures & Improvements	23,881,846	-	-	23,881,846
Machinery & Equipment	5,478,170	16,015	-	5,494,185
Automobile Equipment	393,650	-	-	393,650
Office Furniture & Fixtures	3,459	-	-	3,459
Total capital assets being depreciated	32,952,780	16,015	-	32,968,795
Less accumulated depreciation for:				
Buildings	2,148,363	68,779	-	2,217,142
Structures & Improvements	7,189,898	848,803	-	8,038,701
Machinery & Equipment	3,174,635	287,284	-	3,461,919
Automobile Equipment	304,596	15,348	-	319,944
Office Furniture & Fixtures	3,461	-	-	3,461
Total Accumulated Depreciation	12,820,953	1,220,214	-	14,041,167
Business-type activities capital assets being depreciated, net	20,131,827	(1,204,199)	-	18,927,628
Business-type activities capital assets, net	$ 23,011,022	$ (594,741)	$ -	$ 22,416,281

Depreciation expense was charged to the governmental functions as follows:

General government	$ 174,131
Public Safety	579,044
Public Works	932,112
Health & Welfare	20,190
Housing & Development	100,812
Recreation	84,513
Internal Service Funds	4,047
Total governmental depreciation recognized in functions	$ 1,894,849

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, 2017 was $35,303.

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, 2017 was $1,825,361.

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, 2017 was $530,018.

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 $1,543,794 as of June 30, 2017 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, 2017 was $2,993,158.

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Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2017are as follows:

	Beginning of Year	Increases	Decreases	End of Year	Due within One Year
Governmental activities:					
Capital Lease Obligations	$ 1,158,529	$ -	$ 599,231	$ 559,298	$ 247,515
GEFA Note Payable	1,984,940	-	159,579	1,825,361	160,412
USDA Note Payable #2	69,420	-	34,117	35,303	35,303
Sub-total-Governmental activities	3,212,889	-	792,927	2,419,962	443,230
Business-type activities:					
Water and Sewer Fund					
GEFA Note Payable	3,116,721	-	123,563	2,993,158	126,561
Sub-totals-Water & Sewer Fund	3,116,721	-	123,563	2,993,158	126,561
Landfill Fund					
Accrued closure/postclosure cost-Old Landfill	769,375	10,002	-	779,377	-
Accrued closure/postclosure cost-New Landfill	2,920,202	37,963	-	2,958,165	-
Capital Leases	1,327,337	-	301,270	1,026,067	304,268
GEFA Note Payable - Not in repayment	1,090,501	453,294	-	1,543,795	-
GEFA Note Payable - Cell 4	720,523	-	190,505	530,018	191,689
Sub-total-Landfill Fund	6,827,938	501,259	491,775	6,837,422	495,957
Sub-total-Business-type activities	9,944,659	501,259	615,338	9,830,580	622,518
Total all long-term debt	$ 13,157,548	$ 501,259	$ 1,408,265	$ 12,250,542	$ 1,065,748

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities	Landfill Fund
Machinery and equipment	$ 3,361,426	$ 3,958,595
Less: Accumulated depreciation	(2,254,969)	(2,041,830)
Total	$ 1,106,457	$ 1,916,765
2017 depreciation	$ 219,582	$ 253,902

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Debt service requirements on long-term debt at June 30, 2017 are as follows:

	Governmental Activities - Capital Leases		
Year Ending June 30	Principal	Interest	Totals
2018	$ 247,515	$ 12,769	$ 260,284
2019	159,552	7,560	167,112
2020	133,244	3,470	136,714
2021	18,987	131	19,118
Totals	$ 559,298	$ 23,930	$ 583,228

	Business-Type Activities - Capital Leases		
Year Ending June 30	Principal	Interest	Totals
2018	$ 304,268	$ 138,090	$ 442,358
2019	395,817	133,082	528,899
2020	206,345	131,546	337,891
2021	119,637	89,377	209,014
Totals	$ 1,026,067	$ 492,095	$ 1,518,162

	Governmental Activities - USDA Note Payable #2		
Year Ending June 30	Principal	Interest	Totals
2018	$ 35,303	$ 1,244	$ 36,547
Totals	$ 35,303	$ 1,244	$ 36,547

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Year Ending June 30	Governmental Funds - GEFA Note - Silver Lake Project		
	Principal	Interest	Totals
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	$ 1,825,361	$ 53,499	$ 1,878,860

Year Ending June 30	Landfill - GEFA - Cell 4 Loan		
	Principal	Interest	Totals
2018	$ 191,689	$ 2,742	$ 194,431
2019	192,881	1,550	194,431
2020	145,448	376	145,824
Totals	$ 530,018	$ 4,668	$ 534,686

Year Ending June 30	Water & Sewer - GEFA - WWTP		
	Principal	Interest	Totals
2018	$ 126,561	$ 70,450	$ 197,011
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	912,807	55,826	968,633
Totals	$ 2,993,158	$ 733,625	$ 3,726,783

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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	$ 91,500	$ 88,860
Caterpillar Financial Service Corp. Lease-Purchase Contract on 12M2 Caterpillar Motor Grader SN: F9M00267	67,657	1,193	2.24%	60	13,124	12,978
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	52,321	52,204
Bancorp South Equipment Finance. Lease-Purchase Contract on JD 750K Crawler Dozer SN: 1T0750KXVDE247444	53,544	942	2.14%	60	13,185	13,010
Suntrust Equipment Finance and Leasing Corp. Lease-Purchase Contract on 911 Communications System Narrowbanding Upgrade	269,978	4,500	1.80%	60	38,739	37,716
Caterpillar Financial Service Corp. Lease-Purchase Contract on 12M3 Caterprillar Motor Grader SN: N9F00385	114,478	2,022	2.30%	60	80,864	77,770
Motorola Solutions, Inc. Lease Purchase Contract - Radio Equipment	353,010	77,610	3.24%	5	232,831	218,520
Caterpillar Financial Service Corp. Lease-Purchase Contract on 12M3 Caterpillar Motor Grader SN: N9F00479	78,287	1,379	2.19%	60	60,663	58,240
Total Governmental Activities	$ 2,609,754				$ 583,227	$ 559,298

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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	$ 110,090	$ 108,262
Caterpillar Financial Service Corp. Lease-Purchase Contract on 836 K Caterpillar Landfill Compactor SN: TWZ00558	632,849	11,145	2.19%	60	490,384	470,795
Caterpillar Financial Service Corp. Lease-Purchase Contract on D6N Caterpillar Track Type Tractor SN: PBA02354	165,395	3,171	2.29%	55	107,825	104,296
Caterpillar Financial Service Corp. Lease-Purchase Contract on 336FL Caterpillar Hydraulic Excavator SN: RKB01674	217,848	3,845	2.19%	60	169,193	162,437
BancorpSouth Equipment Finance. Lease-Purchase Agreement on Caterpillar D6T XL Dozer SN: 1355	308,904	3,600	2.25%	61	189,461	180,277
Sub-Total Landfill	1,579,126				1,066,953	1,026,067
Totals Business-Type Activities	$ 1,579,126				$ 1,066,953	$ 1,026,067

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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)	$ 548,382	$ -
General Fund (from Insurance ISF)	958,349	-
General Fund (due to ISF)	10,683,991	9,120,769
General Fund (from Mandatory Drug Fund)	11,875	-
General Fund Operating Activities	305,818	5,684,994
SPLOST Capital Projects Fund # 6 (due to General Fund)	-	564,397
	12,508,415	15,370,160
Proprietary Funds		
Natural Gas Fund (due to ISF)	252,538	51,379
Airport Fund (due to ISF)	-	7,748
Prison Fund (due to ISF)	16,015	-
Landfill Fund (due to ISF)	-	688,421
Landfill Fund Operating Activities	3,466,122	-
Water & Sewer Fund (due to ISF)	-	182,230
Water & Sewer Fund Operating Activities	1,328,455	-
	5,063,130	929,778
Non-Major Funds		
E-911 SRF (due to ISF)	-	273,151
E-911 SRF Operating Activities	-	297,407
Confiscated Assets SRF Operating Activities	111,059	-
Decatur County Prison SRF Operating Activities	-	5,266
Decatur Count Jail SRF Operating Activities	-	3,145
Victim's Assistance SRF Operating Activities	4,895	-
E-911 Radio SRF Operating Activities	443,634	-
K-9 Dog SFR Operating Activites	717	-
Mandatory Drug Fund (due to General Fund)	-	11,875
Mandatory Drug Fund SRF Operating Activities	77,574	-
Internal Service Fund (Governmental Funds)	9,393,920	-
Internal Service Fund (Proprietary Funds)	929,778	-
Internal Service Fund Operating Activities	-	10,683,991
Insurance Internal Service Fund (due to General Fund)	-	958,349
	10,961,577	12,233,184
Totals	$ 28,533,122	$ 28,533,122

Entity-wide Inter-fund Balance Reconciliation

Governmental Funds	
Receivables	$ 6,500,094
Payables	(10,059,197)
Netting of Internal Service Fund	(1,381,296)
Internal Balances - Governmental Activities	$ (4,940,399)
Business-Type Funds	
Business-Type Funds Receivables	$ 5,807,523
Business-Type Funds Payables	(929,778)
Netting of Internal Service Fund	62,654
Internal Balances - Business-Type Activities	$ 4,940,399

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, 2017 consisted of the following:

	Transfer To					
Transfer Out	**General Fund**	**Non-major SRF**	**Prison Fund**	**Golf Course Fund**	**Airport Fund**	**Total**
General Fund	$ -	$ 73,278	$ -	$ -	$ 316,292	$ 389,570
SPLOST CPF Ref, # 6	-	-	16,015	-	-	16,015
Non-major Governmental	79,304	-	-	-	-	79,304
Landfill Fund	-	-	413,346	5,879	-	419,225
Totals	$ 79,304	$ 73,278	$ 429,361	$ 5,879	$ 316,292	$ 904,114

Governmental Activities:	
Total Transfer Out	$ (484,889)
Less: Transfer to	
Major Governmental	79,304
Non-major Governmental	73,278
Net Transfers Out	$ (332,307)

Business-Type Activities:		
Total Transfer In	$	751,532
Less: Transfer to Business Type Activities		(419,225)
Net Transfers Out	$	332,307

Transfers of $73,278 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 $16,015 were made from the SPLOST fund to the Prison Enterprise fund for capital expenditures.

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, 2016

Market Value of Assets		
Cash & Cash Equivalent.	$	458,116
Bonds		-
Fixed Interest Insurance Account		70,353
Marketable Securities		7,866,559
Total	$	8,395,028
Receivable		
Employer Contributions	$	724,338
Employee Contributions		-
Due From Insurance Pool		-
Accrued Interest Income		10,693
Total	$	735,031
Liabilities		
Administrative Expenses	$	35,816
Accrued Investment Fee		7,996
Accrued Auditing Fees		-
Payable to Insurance Pool		-
Total	$	43,812
Fiduciary Net Position	$	9,086,247

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Statement of Change in Fiduciary Net Position for the Year Ended December 31, 2016

Additions		
Asset transfer	$	-
Employer contributions		724,338
Employee contributions		-
Net investment income		583,548
Employee contribution - buyback -		-
Total additions	$	1,307,886
Deductions		
Investment expense	$	40,641
Administrative expenses		36,396
Benefit payments		523,338
Post-retirement death benefit expense		30,000
Pre-retirement death benefit expense		30,532
Transfer to successor plans		-
Refund of employee contributions		-
Total deductions	$	660,907
Net increase (decrease) in fiduciary net position	$	646,979
Net position held in trust for pension benefits		
Beginning of year	$	8,439,268
End of year	$	9,086,247
Money weighted rates of return		7.12%

Net Position Restricted for Pension

Fiduciary net position	$	9,086,247
Deferred outflow of resources		1,386,071
Deferred inflow of resources		-
Net position restricted for pensions	$	7,700,176

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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.

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Participant counts as of January 1, 2016, (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	65
Terminated plan members entitled to but not yet receiving benefits	147
Active plan members	158
Total number of plan participants	370
Covered compensation for active participants	$ 6,292,491

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, 2017, the County contributed $724,338 to the plan.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The amount recognized by the County as the net pension liability was $3,998,660.

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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	7.25% per year
Future salary increases	4.0% per year with an age based scale as follows:

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%

Based on results of the February 2014 experience study.

Mortality: RP-2000, Projected with Scale AA

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. As of December 31, 2016 the expected long-term rate of return was revised to 7.25%

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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:

	Target Allocation	Range
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

There have been no substantive changes since the last actuarial valuation.

Discount rate.

The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS.

20-year building blocks return (6.82% x .3333):	2.27%
30-year building blocks return (8.28% x .3333):	2.76%
UBS capital market assumption for a moderate asset allocation (6.40% x .3334):	2.13%
Discount Rate (rounded to the nearest .25%):	7.16%
	7.25%

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, 2015	$ 12,015,073	$ 8,439,268	$ 3,575,805
Changes for the year:			
Service Cost	230,363	-	230,363
Interest	881,505	-	881,505
Liability experience (gain)/loss	83,102	-	83,102
Assumption Change	398,203	-	398,203
Employer Contributions	-	724,338	(724,338)
Employee Contributions	-	-	-
Net Investment Income	-	583,548	(583,548)
Benefit Payments	(523,338)	(523,338)	-
Administrative Expense	-	(36,396)	36,396
Other Changes	-	(101,173)	101,173
Net Changes	1,069,835	646,979	422,856
Balance at December 31, 2016	$ 13,084,908	$ 9,086,247	$ 3,998,661

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 6.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 2-percentage-point higher (8.25%) than the current rate:

	6.25%	8.25%
Total Pension Liability	$ 14,881,418	$ 11,597,313
Fiduciary Net Position	9,086,247	9,086,247
Net Pension Liability	$ 5,795,171	$ 2,511,066

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

For the year ended December 31, 2016, the County recognized pension expense of $1,034,960. At June 30, 2017, 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.	451,906	-
Total	$ 451,906	$ -

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,	2018	$ 151,382
	2019	151,382
	2020	135,788
	2021	13,354
		$ 451,906

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, 2017 and for the prior period adjustment.

A copy of additional financial information from the Plan financial reports can be obtained from GEB Corp, 191 Peachtree Street NE, Suite 700, Atlanta, Georgia 30303.

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	334,346	(95,957)	402,696	(70,171)	202,200	(66,929)	122,587	**828,772**
Total Net Pension Liability (asset)	$334,346	$(95,957)	$402,696	$ (70,171)	$202,200	$(66,929)	$122,587	**$828,772**
Pension revenue and expense for State support	$(35,139)	$ 10,775	$161,789	$ 29,095	$ 59,052	$ 21,372	$ 27,575	**$274,519**

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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)		
			Current Discount	
Pension Plan	Discount Rate	1% Decrease	Rate	1% Increase
ERS	7.50%	$ 453,101	$ 334,346	$ 233,143
GJRS	7.50%	4,753	(95,957)	(183,531)
SRFG	4.56%	521,853	402,696	303,696
JPCRF	6.50%	(25,749)	(70,171)	(108,274)
POAB	7.00%	521,065	202,200	(62,732)
SCCRF	5.25%	(6,657)	(66,929)	(118,182)
GFPF	6.00%	202,380	122,587	56,840

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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. An expected total pension liability is determined as of June 30, 2016 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, 2015. Using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25-7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward for 3 years for females was used for death after disability retirement. There is a margin for future mortality improvement in tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the number of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee 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 an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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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%	(0.05)%
Domestic large cap equities	37.20	9.00
Domestic mid cap equities	3.40	12.00
Domestic small cap equities	1.40	13.50
International developed market equities	17.80	8.00
International emerging market equities	5.20	12.00
Alternatives	5.00	10.50
	100.00%	

*Rates shown are net of the 2.75% 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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. An expected total pension liability is determined as of June 30, 2016 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, 2015. Using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	4.50%, 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 projected to 2025 with projection scale BB and set forward 2 years for both males and females for the period after retirement and for dependent beneficiaries. For the period after disability retirement, the RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB and set back 7 years for males and set forward 3 years for females is used. Rates of mortality in active service were based on the RP-2000 Employee 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 an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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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%	(0.50)%
Domestic large cap equities	37,20	9.00
Domestic mid cap equities	3.40	12.00
Domestic small cap equities	1.40	13.50
International developed market equities	17.80	8.00
International emerging market equities	5.20	12.00
Alternatives	5.00	10.50
	100.00%	

*Rates shown are net of the 2.75% 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. SRFG 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. Retirement benefit at the normal retirement date has increased 1.5% ever six months in the monthly benefit per year of credited services since July 1, 2000.

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, 2016, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2016.

Actuarial assumptions.
The collective total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	N/A
Investment rate of return	6.50%, net of pension plan investment expense, including inflation
Municipal Bond Index Rate	3.01%
Single Equivalent Interest Rate	4.56%

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward 2 years for both males and females for the period after retirement and for dependent beneficiaries. The RP-2000 Combined Mortality Table projected to 2025 with projection scale BB was used for deaths in active service.

The monthly benefit is a single life annuity payable in monthly payments for the life of a member. Retirement benefit at the normal retirement date has increased 1.5% ever six months in the monthly benefit per year of credited services since July 1, 2000 and are assumed to continue into the future.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the actuarial experience study for the seven year period ending June 30, 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 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 4.56 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 rates currently established by statute. 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 through the year 2097.

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. 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.

The collective net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2016.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2016, 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 RP 2014 Healthy Mortality Table with generational mortality projection using the Buck modified MP-2016 scale for healthy lives and the RP 2014 Disabled Retiree Mortality Table with generational mortality projection using the Buck modified MP-2016 scale for disabled lives.
The long-term expected rate of return on plan assets was 6.60% based on using a building block approach. Capital market and asset class assumptions are estimates of how asset classes and combinations of classes may respond during various market environments. A building block approach develops an arithmetic mean expected return for each asset class, the return being the simple average which typically represents performance for a single period. Once an arithmetic mean is developed, it is converted to a geometric mean that expresses the arithmetic mean over a long time horizon. The geometric mean return is used because it captures changes in portfolio performance over multiple years and is generally lower than the arithmetic mean, thus providing a more conservative estimate for return assumtions.

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 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. 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. 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, 2016, and the collective total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, with update procedures used to roll forward the total pension liability to June 30, 2016. The roll forward calculation adds the normal cost (also called service costs), subtracts the actual benefit payments and refunds for the plan year, and then applies the discount rate for the year.

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. 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. 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, 2016, and the collective total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 . An expected total pension liability is determined as of June 30, 2016 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, 2016, 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 2016 and the mortality table for disabled lives was updated to the RP 2014 Disabled Retiree Mortality Table with generational mortality projection using Scale MP 2016 for disabled lives.

The long-term expected rate of return on pension plan investments was calculated by the Fund's investment manager as 5.25% 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. 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, 2016, 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, 2016 valuation were based on the results of the actuarial experience study dated November 4, 2015.

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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 and that nonemployer contributions (from insurers) will remain at the level contributed the previous fiscal year. 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, 2017. No

provisions have been made in the financial statements for the year ended June 30, 2017 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.

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	$ 1,510,135	$ 1,065,058	$ 44,048	$ -	$ 4,891,989	$ 169,687	$ 7,680,917
Capital	6,491,185	777,571	3,183,634	-	11,498,722	465,169	22,416,281
Total Assets	8,001,320	1,842,629	3,227,682	-	16,390,711	634,856	30,097,198
Deferred outflow	2,174	336	5,701	-	22,350	56,547	87,108
Total Assets and Deferred outflow	$ 8,003,494	$ 1,842,965	$ 3,233,383	$ -	$ 16,413,061	691,403	$ 30,184,306
Liabilities							
Current	$ 330,237	$ 124,904	$ 50,950	$ -	$ 1,388,174	63,762	$ 1,958,027
Long-term	2,885,835	2,976	50,445	-	6,539,228	500,354	9,978,838
Total Liabilities	3,216,072	127,880	101,395	-	7,927,402	564,116	11,936,865
Net Position							
Net Investment in Capital Assets	3,498,027	777,571	3,183,634	-	8,398,843	465,169	16,323,244
Restricted for Debt Service	88,363	-	-	-	-	-	88,363
Unrestricted	1,201,032	937,514	(51,646)	-	86,816	(337,882)	1,835,834
Total Net Position	$ 4,787,422	$ 1,715,085	$ 3,131,988	$ -	$ 8,485,659	$ 127,287	$ 18,247,441

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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	$ 220,366	$ 436,078	$ 332,850	$ -	$ 2,203,536	$ 2,190,250	$ 5,383,080
Rental Income	-	-	29,418	-	-	-	29,418
Total operating revenues	220,366	436,078	362,268	-	2,203,536	2,190,250	5,412,498
Operating expenses (Excluding Depreciation)	422,011	468,064	541,091	-	2,429,268	1,384,580	5,245,014
Depreciation	145,072	19,610	223,537	-	48,137	792,208	1,228,564
Total operating expenses	567,083	487,674	764,628	-	2,477,405	2,176,788	6,473,578
Operating income (loss)	(346,717)	(51,596)	(402,360)	-	(273,869)	13,462	(1,061,080)
Nonoperating revenues (expenses)							
Intergovernmental	-	-	-	-	-	-	-
Interest income	3,947	-	-	-	-	-	3,947
Interest expense	(73,448)	-	-	-	-	(49,268)	(122,716)
Total Nonoperating income (expenses)	(69,501)	-	-	-	-	(49,268)	(118,769)
Timber disposal of assets	-	-	-	-	-	80,157	80,157
Transfers in (out)	-	-	316,292	5,879	429,361	(419,225)	332,307
Changes in net position	(416,218)	(51,596)	(86,068)	5,879	155,492	(374,874)	(767,385)
Beginning net position as restated	5,203,640	1,766,681	3,218,056	(5,879)	(28,205)	8,860,533	19,014,826
Ending net position	$ 4,787,422	$ 1,715,085	$ 3,131,988	$ -	$ 127,287	$ 8,485,659	$ 18,247,441

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	$ (246,659)	$ -	$ (301,785)	$ (5,879)	$ (413,346)	$ 1,957,726	$ 990,057
Net cash provided (used) by noncapital financing activities	-	-	316,292	5,879	429,361	(419,225)	332,307
Net cash provided (used) by capital and related financing activities	(197,010)	-	(8,350)	-	(16,015)	(617,050)	(838,425)
Net cash provided (used) by investing activities	3,947	-	-	-	-	-	3,947
Net increase (decrease) in cash & cash equivalents	(439,722)	-	6,157	-	-	921,451	487,886
Beginning cash & cash equivalents	578,673	-	36,914	-	-	232,774	848,361
Ending cash & cash equivalents	$ 138,951	$ -	$ 43,071	$ -	$ -	$ 1,154,225	$ 1,336,247

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 $779,377 as of June 30, 2017. 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, 2017 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 $2,958,165 as of June 30, 2017. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 12 - CONSTRUCTION COMMITMENTS

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.

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NOTE 13 – RESTRICTED NET POSITION

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

	Other Projects	Total
SPLOST VI	923,866	923,866
Crime Victims Assistance	4,905	4,905
Law Library	8,334	8,334
Confiscated Assets	124,916	124,916
Mandatory Drug Fund	115,870	115,870
K-9 Drug Fund	717	717
Decatur County Prison Account	20,790	20,790
	$ 1,199,398	$ 1,199,398

NOTE 14 – SPECIAL ITEM – SALES OF CAPITAL ASSETS

During the fiscal year ended June 30, 2017 the County sold certain small capital assets and timber, 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 $26,836 and timber of $34,296. The Landfill disposed of small items totaling $2,173 and timber of $77,984.

NOTE 15 - DEFICIT FUND BALANCE

For the fiscal year ended June 30, 2017 there were numerous funds that had a deficit fund balance. The E-911 Special Revenue Fund had a deficit fund balance of $559,842. The CDBG EIP Special Revenue Fund had a deficit fund balance of $17. The Decatur County Jail Special Revenue Fund had a deficit fund balance of $7,446. It is the County's intent to alleviate these deficit's with future revenues and/or transfers from other funds. The Administrative Cost Internal Service Fund had a deficit balance of $347,294 and the Health Insurance Internal Service Fund had a deficit balance of $641,185. It is the County's intent to alleviate these deficits with future revenues and/or transfers from other funds.

NOTE 16 - TAX ABATEMENTS

Decatur County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to Decatur County.

For the fiscal year ended June 30, 2017, Decatur County abated property taxes due to the County that were levied on October 20, 2016 and due on December 20, 2016 totaling $26,661. The following is the individual tax abatement agreement:

- A 100 percent property tax abatement to Global Air, Inc. manufacturing plant relocating and increasing employment. The abatement amounted to $26,661.

NOTE 17 – PRIOR PERIOD ENTRY

In prior years the county expended gas fund proceeds for a gas line extension. In addition, the general fund resources were used to purchase equipment for the sheriff's department. Both items were included in the SPLOST referendum and qualify for reimbursement. Below reflects the change in net assets as a result of these reimbursements.

	Governmental Activites	Business-Type Activities	General Fund	SPLOST CPF	Natural Gas Fund
Beginning net position, July 1, 2016, as previously reported	$ 28,369,271	$ 18,333,092	$ 2,559,768	$ 1,149,044	$ 1,022,288
Prior Period entry for reimbursement of qualified SPLOST expenditures	(744,393)	744,393	79,000	(823,393)	744,393
Beginning net position, July 1, 2016, as restated	$ 27,624,878	$ 19,077,485	$ 2,638,768	$ 325,651	$ 1,766,681

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

A. Bank Deposits

At March 31, 2016 and 2017, the Authority had bank balances as follows:

	2017	2016
Insured (FDIC) or collateralized with securities held by the Authority.	$ 613,771	$ 781,500
Collateralized by securities held by the pledging financial institution's trust department in the Authority's name.	872,964	762,471
Uncollateralized.	221,323	-
Total (bank balance)	$ 1,708,058	$ 1,543,971
Carrying value (book value)	$ 991,743	$ 1,215,608

The uninsured amount of bank deposits was caused by the early payoff of a loan serving as collateral. The bank remedied the shortfall in June 2017.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Authority does not have an investment policy for custodial credit risk. At March 31, 2017 and 2016. The Authority owned approximately $2,012,000 and $0, respectively, in securities that were unsecured and held by the Authority's brokerage firm in the Authority's name.

B. Capital Assets

A summary of property and equipment at March 31, 2017 follows:

	2016 Balance	Increase	Decrease	2017 Balance
Land	$ 905,367	$ -	$ (175,883)	$ 729,484
Buildings & Improvements	24,895,669	142,668	(55,311)	24,983,026
Equipment	19,136,856	1,275,486	(2,061,610)	18,350,732
Construction in progress	309,210	313,753	(211,404)	411,559
Total property and equipment	45,247,102	1,731,907	(2,504,208)	44,474,801
Less accumulated depreciation:				
Buildings and improvements	15,332,283	530,700	(61,881)	15,801,102
Equipment	16,180,968	973,922	(2,060,932)	15,093,958
Total accumulated depreciation	31,513,251	1,504,622	(2,122,813)	30,895,060
Net property and equipment	$ 13,733,851	$ 227,285	$ (381,395)	$ 13,579,741

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

	2016 Balance	Additions	Deletions	2017 Balance	Amount Due in One Year
Notes payable	$ 7,563,981	$ -	$ (7,563,981)	$ -	$ -
Revenue certificates	-	11,370,000	-	11,370,000	-
Capital leases	-	1,035,951	(112,736)	923,215	194,127
Total long term debt	$ 7,563,981	$ 12,405,951	$ (7,676,717)	$ 12,293,215	$ 194,127

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A summary of long-term debt, including capital lease obligations, at March 31, 2017 and 2016, follows:

	2017	2016
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
3.412% note payable to Annette D. Harrell in monthly installments of $3,742 until June 2021, unsecured.	-	215,562
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
2.50% note payable to People South Bank in monthly installments of $7,676 until April 2018. It is collateralized by equipment.	-	186,512
2.50% note payable to People South Bank in monthly installments of $ 7,022 until November 2018. It is collateralized by equipment.	-	370,412
Revenue Certificates - Series 2017A, payable in annual installments ranging from $520,000 beginning September 1, 2021 to $925,000 on September 1, 2032, with 2.99% interest paid semi-annually.	9,330,000	-
Revenue Certificates - Series 2017B, payable in annual installments ranging from $610,000 beginning September 1, 2018 to $150,000 on September 1, 2021, with 2.99% interest paid semi-annually.	2,040,000	-
Total long-term debt	11,370,000	7,563,981
Less current installments of long-term debt	-	513,377
Long-term debt, excluding current installments	$ 11,370,000	$ 7,050,604

	2017	2016
Capital lease obligations, at varying rates of interest, collateralized by leased equipment and software.	$ 923,215	$ -
Less current portion of capital lease obligation	194,127	-
Capital lease obligations, excluding current portion	$ 729,088	$ -

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

	Long-term Debt		Capital Lease Obligations	
Year Ended March 31	Principal	Interest	Principal	Interest
2018	$ -	$ 321,076	$ 194,127	$ 35,291
2019	610,000	330,844	202,492	26,926
2020	630,000	312,305	211,217	18,201
2021	650,000	293,170	220,318	9,130
2022	670,000	273,435	95,061	1,063
2023-2027	3,655,000	1,050,163	-	-
2028-2032	4,230,000	462,254	-	-
2033	925,000	13,829	-	-
Totals	$ 11,370,000	$ 3,057,076	$ 923,215	$ 90,611

D. Short-Term Debt

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

	2016 Balance	Additions	Reductions	2017 Balance
Operating Line-of-credit	$ 1,435,732	$ 596,000	$ (2,031,732)	$ -

- 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. Final payment was made on March 21, 2017.

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, 2017 and 2016, the Authority contributed approximately $250,000 and $397,000 in matching and discretionary funds, respectively. The Authority had no liability outstanding related to the Plan at March 31, 2017 or 2016.

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, 2017 and 2016. 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. During 2017, the Authority also entered the Decatur County Healthcare Cooperative Series of Sentinel Indemnity, LLC, a captive agreement provided additional stop-loss coverage for claims in excess of $350,000 for each individual employee. The investment in the captive plan is included in other assets on the balance sheet. Under these self-insurance programs, the Authority incurred expenses of approximately $3,530,000 and $4,405,000 including administrative fees, during the years ended March 31, 2017 and 2016, 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.

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

	2017	2016
Assets	$ 1,374,576	$ 1,214,215
Liabilities	10,800	8,720
Net Position	1,363,776	1,205,495
Liabilities and net position	$ 1,374,576	$ 1,214,215
Revenues	$ 85,493	$ 203,781
Investing gains (losses)	30,647	32,622
Expenses	(27,468)	(92,584)
Contributions to Memorial Hospital and	(48,516)	(55,443)
Excess of revenues over expenses	40,156	88,376
Changes in net unrealized gains and losses on marketable securities	118,125	(68,326)
Net position, beginning of year	1,205,495	1,185,445
Net position, end of year	$ 1,363,776	$ 1,205,495

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.

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

A. Bank Deposits

Total deposits and investments as of June 30, 2017 are summarized as follows:

As reported in the Statement of Net Position:	
Cash and cash equivalents	$ 619,271
Cash deposited with financial institutions	$ 808,082

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, 2017, 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, 2017 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	19,091	-	111,685
Vehicles	49,200	33,039	-	82,239
Total capital assets being depreciated	168,486	52,130	-	220,616
Less accumulated depreciation for:				
Buildings	(12,912)	(1,649)	-	(14,561)
Equipment	(80,619)	(2,940)	-	(83,559)
Vehicles	(49,200)	(1,101)	-	(50,301)
Total accumulated depreciation	(142,731)	(5,690)	-	(148,421)
Governmental Activities Capital Assets, Net	$ 25,755	$ 46,440	$ -	$ 72,195

C. Compensated Absences

Non-current liabilities on the Statement of Net Position are made up of compensated absences payable at June 30, 2017. All of the compensated absences are related to governmental activities. Changes in compensated absences for FY2017 are as follows:

Balance June 30, 2016	Additions	Deletions	Balance June 30, 2016
$ 66,767	$ 11,718	$ -	$ 78,485

D. Retirement Plan

Plan Description

The Employees' Retirement System (ERS) is a cost-sharing multiple-employer defined pension plan 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 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. ERS issues a publicly available financial report that can be obtained 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). 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 Board of Health's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2017 was 24.69% 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, 2017 were $108,664 based on qualifying salaries of $454,030.

GASB 68

The following schedules reflect GASB Statement No. 68 reporting information:

Contributions made during the measurement period (fiscal year ended June 30, 2016):	$	105,391
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	$	867,370
Employer's proportion of net pension liability		0.0183360%
Increase/(Decrease) from proportion measured as of June 30, 2015		0.0012910%
Employer's recognized pension expense	$	58,216

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,003
Changes of assumptions	7,347	-
Net difference between projected and actual earnings on pension plan investments	88,187	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,308	31,933
Employer contributions subsequent to the measurement date	108,664	-
Total	$ 211,506	$ 33,936

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:	
2018	$ (8,017)
2019	(97)
2020	47,546
2021	29,474
2022	-
Thereafter	-

Actuarial Assumptions

The total pension liability as of June 30, 2016 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	3.25-7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward two (2) years for both males and females for service retirements and dependent beneficiaries. The RP-2000 Disability Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back seven (7) years for males and set forward three (3) years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual

number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee 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 an actuarial experience study for the period July 1, 2009-June 30, 2014.

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 State Georgia 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	$ 1,175,447	$ 867,370	$ 604,827

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.ers.ga.gov.**

E. Subsequent Events

The Organization has evaluated subsequent events through December 5, 2017, the date on which the financial statements were available to be issued.

NOTE 20 - 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.

Fund Financial Statements: The fund financial statements provide information about the Authority's funds. Separate statements for each fund category – only governmental – are presented. The emphasis of fund financial statements is on major funds, each displayed in a

separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Authority reports the following major governmental funds:

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

Meredian Capital Project Fund – This fund was established to account for all expenditures of funds being used for various infrastructural improvements for Meredian.

Bainbridge Manufacturing Capital Project Fund – This fund was established to purchase the Traco building and to account for all expenditures of funds being used for various infrastructural improvements for Bainbridge Manufacturing Project.

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, 2016 was as follows:

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 261	$ -	$ -	$ 261
Construction in progress	-	937,991	-	937,991
Total capital assets not being depreciated	261	937,991	-	938,252
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	(111,028)	(43,593)	-	(154,621)
Improvements	(303,875)	(56,818)	-	(360,693)
Machinery & equipment	(3,296)	-	-	(3,296)
Total Accumulated Depreciation	(418,199)	(100,411)	-	(518,610)
Governmental activities capital assets, net	$ 2,512,571	$ 837,580	$ -	$ 3,350,151

Depreciation expense was charged to the governmental functions as follows:

General government	$ 100,411
Total governmental depreciation expense:	$ 100,411

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 unamortized balance of this premium at fiscal yearend was $159,593

Bonds will bear interest as set forth below:

Year	Principal Amount	Interest Rate
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	97,086	4.45%
	802,791	
Add: Unamortized Premium	159,593	
	$ 962,384	

Notes Payable

On May 13, 2016, the Authority entered into a loan agreement to construct a spec building at an interest rate of 2.5%. The original amount of this loan was $708,342 with 39 quarterly payments to be made at $20,105 and one additional quarterly payment for the balance with interest. The balance of this note as of December 31, 2016 was $673,867.

Year	Principal Amount	Interest Rate
2017	$ 64,172	2.50%
2018	65,791	2.50%
2019	67,452	2.50%
2020	69,154	2.50%
2021	70,899	2.50%
2022	72,688	2.50%
2023	74,522	2.50%
2024	76,403	2.50%
2025	78,331	2.50%
2026	34,455	2.50%
	$ 673,867	

Changes in long-term liabilities

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Note Payable	$ -	$ 708,342	$ (34,475)	$ 673,867	$ 64,172
Revenue Bonds Payable	865,309	-	(62,518)	802,791	65,332
Add deferred amounts Unamortized premium	175,553	-	(15,960)	159,593	-
Total all long-term debt	$ 1,040,862	$ 708,342	$ (112,953)	$ 1,636,251	$ 129,504

H. SPECIAL ITEM – SALE OF CAPITAL ASSETS

During the fiscal year ended December 31, 2016, 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 the Dickies Building for $165,000.

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, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES				
Property taxes	$ 11,021,160	$ 11,021,160	$ 11,569,418	$ 548,258
Sales and miscellaneous taxes	3,544,000	3,544,000	3,173,895	(370,105)
Fees and fines	840,000	840,000	698,049	(141,951)
Licenses and permits	5,000	5,000	69,388	64,388
Intergovernmental	-	153,000	385,328	232,328
Charges for services	97,100	97,100	279,183	182,083
Investment earnings	40,000	40,000	87,717	47,717
Miscellaneous	328,571	328,571	320,771	(7,800)
Contributions and donations	-	-	2,085	2,085
TOTAL REVENUES	15,875,831	16,028,831	16,585,834	557,003
EXPENDITURES				
General Government				
Legislative	157,848	119,848	112,468	7,380
Elections	260,780	260,780	253,317	7,463
Tax Commissioner	505,441	543,441	542,872	569
Tax Assessor	501,374	501,374	473,530	27,844
General Government	1,425,443	1,425,443	1,382,187	43,256
Judicial				
Superior Court	103,157	103,157	82,543	20,614
Clerk of Courts	572,954	572,954	571,675	1,279
District Attorney	44,750	44,750	44,750	-
State Court	155,897	155,897	138,456	17,441
Magistrate Court	239,571	241,421	240,550	871
Probate Court	187,838	185,988	175,237	10,751
Juvenile Court	153,489	153,489	104,863	48,626
Public Defender	185,771	185,771	177,392	8,379
Judicial	1,643,427	1,643,427	1,535,466	107,961
Public Safety				
Sheriff	3,361,380	3,351,180	3,161,776	189,404
Jail	2,877,008	2,877,008	2,855,166	21,842
Fire	1,285,962	1,291,962	1,291,802	160
Public Safety / Communications	953,658	953,658	749,988	203,670
Coroner/Medical Examiner	41,209	41,209	36,972	4,237
EMS	293,500	293,500	292,119	1,381
Emergency Management	17,452	21,652	21,558	94
Public Safety	8,830,169	8,830,169	8,409,381	420,788
Public Works				
Highways and Streets	2,627,436	2,780,436	2,585,768	194,668
Public Works	2,627,436	2,780,436	2,585,768	194,668

Decatur County, Georgia
Budgetary Comparison Schedule - General Fund (GAAP)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Health and Welfare				
Health	111,749	111,749	110,603	1,146
Welfare	3,500	3,500	3,500	-
Health and Welfare	115,249	115,249	114,103	1,146
Parks and Recreation				
Recreation	12,000	12,000	12,000	-
Parks and Recreation	12,000	12,000	12,000	-
Housing and Development				
Conservation	150,966	150,966	140,889	10,077
Planning and Zoning	134,500	134,500	81,845	52,655
Industrial Park	175,996	175,996	174,978	1,018
Housing and Development	461,462	461,462	397,712	63,750
Total Expenditures - All Departments	15,115,186	15,268,186	14,436,617	831,569
Net Excess before Operating Transfers	760,645	760,645	2,149,217	1,388,572
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(740,646)	(740,646)	(310,266)	430,380
Total Other Financing Sources (uses)	(740,646)	(740,646)	(310,266)	430,380
SPECIAL ITEMS				
Proceeds from sale of capital assets	10,000	10,000	61,132	51,132
Total Special Items	10,000	10,000	61,132	51,132
Net Excess (deficit)	$ 29,999	$ 29,999	$ 1,900,083	$ 1,870,084
Fund Balance (deficit)-beginning - orginally stated			2,559,768	
Prior period adjustment			79,000	
Fund Balance (deficit)-beginning - as restated			2,638,768	
Fund balance (deficit)-ending			$ 4,538,851	

Decatur County, Georgia
Budgetary Comparison
For the Fiscal Year Ended June 30, 2017

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 May 23, 2016. 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, 2017

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

	2016	2015	2014
Total Pension Liability as of beginning of year	$ 12,015,073	$ 10,577,825	$ 10,067,176
Service cost	230,363	223,127	234,352
Interest	901,130	775,396	737,734
Plan Change	-	-	-
Assumption change	398,203	410,020	-
Benefit payments (adjusted for interest)	(542,963)	(478,436)	(461,437)
Experience (gain)/(loss)	83,102	507,141	-
Total Pension Liability as of end of year	$ 13,084,908	$ 12,015,073	$ 10,577,825
Fiduciary Net Position as of beginning of year	$ 8,439,268	$ 8,300,194	$ 7,686,249
Employer contributions	724,338	678,364	662,784
Employee contributions (including buyback)	-	-	-
Net investment income	583,548	51,996	539,701
Benefit payments	(523,338)	(478,436)	(461,437)
Employee contribution refunds	-	-	-
Administrative expense	(36,396)	(34,795)	(35,638)
Other	(101,173)	(78,055)	(91,465)
Fiduciary Net Position as of end of year	$ 9,086,247	$ 8,439,268	$ 8,300,194
Net pension liability as of beginning of year	$ 3,575,805	$ 2,277,631	$ 2,380,927
Net pension liability as of end of year	$ 3,998,661	$ 3,575,805	$ 2,277,631
Fiduciary Net Position as a percentage of Total Pension Liability	69.4%	70.2%	78.5%
Covered-employee payroll	$ 6,292,491	$ 6,587,784	$ 7,030,577
Net pension liability as a percentage of covered-employee payroll	63.5%	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, 2017

SCHEDULE OF COUNTY CONTRIBUTIONS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	$ 703,821	$ 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	724,338	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)	$ (20,517)	$ (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	$ 6,292,491	$ 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	11.5%	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, 2016
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	7.25%
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

Decatur County, Georgia
Required Supplementary Information - Pension Plan
June 30, 2017

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)	2017	0.00%	-	334,346	334,346
Georgia Judicial Retirement System - (GJRS)	2017	0.00%	-	(95,957)	(95,957)
Sheriffs' Retirement Fund of Georgia - (SRFG)	2017	0.00%	-	402,696	402,696
Judges of the Probate Courts Retirement Fund of Georgia - (JPCRF)	2017	0.00%	-	(70,171)	(70,171)
Peace Officers' Annuity and Benefit Fund of Georgia - (POAB)	2017	0.00%	-	200,200	200,200
Superior Court Clerks' Retirement Fund of Georgia - (SCCRF)	2017	0.00%	-	(66,929)	(66,929)
Georgia Firefighters' Pension Fund - (GFPF)	2017	0.00%	-	122,587	122,587

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)	2017	N/A	N/A	72.34%
Georgia Judicial Retirement System - (GJRS)	2017	N/A	N/A	109.31%
Sheriffs' Retirement Fund of Georgia - (SRFG)	2017	N/A	N/A	56.67%
Judges of the Probate Courts Retirement Fund of Georgia - (JPCRF)	2017	N/A	N/A	115.77%
Peace Officers' Annuity and Benefit Fund of Georgia - (POAB)	2017	N/A	N/A	92.18%
Superior Court Clerks' Retirement Fund of Georgia - (SCCRF)	2017	N/A	N/A	111.42%
Georgia Firefighters' Pension Fund - (GFPF)	2017	N/A	N/A	79.03%

Decatur County, Georgia
Required Supplementary Information - Pension Plan
June 30, 2017

SCHEDULE OF INVESTMENT RETURNS

	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expenses	7.12%	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, 2017

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, 2017

	Law Library	Confiscated Assets	E-911	CDBG EIP	Victim's Assistance	E-911 Radio System Fund	Mandatory Drug Fund	K-9 Drug Fund	Decatur County Prison Account	Decatur County Jail Fund	Totals
Assets											
Cash in banks	$ 8,334	$ 13,857	$ -	$ 7,944	$ 10	$ -	$ 50,171	$ -	$ 26,056	$ -	$ 106,372
Accounts receivable	-	-	15,532	-	-	-	-	-	-	-	15,532
Due from other funds	-	111,059	-	-	4,895	443,634	77,574	717	-	-	637,879
Notes/capital leases receivable	-	-	-	311,714	-	-	-	-	-	-	311,714
Intergovernmental receivable	-	-	42,010	-	-	-	-	-	-	-	42,010
Total Assets	$ 8,334	$ 124,916	$ 57,542	$ 319,658	$ 4,905	$ 443,634	$ 127,745	$ 717	$ 26,056	$ -	$ 1,113,507
Liabilities & Fund Balances											
Liabilities											
Accounts payable	$ -	$ -	$ 30,374	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,301	$ 34,675
Due to other agencies	-	-	570,558	7,961	-	-	11,875	-	5,266	3,145	598,805
Deferred revenue	-	-	-	311,714	-	-	-	-	-	-	311,714
Accrued salaries	-	-	16,452	-	-	-	-	-	-	-	16,452
Total Liabilities	-	-	617,384	319,675	-	-	11,875	-	5,266	7,446	961,646
Fund Balances											
Restricted for:											
Legal Reference Materials	8,334	-	-	-	-	-	-	-	-	-	8,334
Public Safety	-	124,916	-	-	4,905	-	115,870	-	20,790	-	266,481
Economic Development	-	-	-	-	-	-	-	717	-	-	717
Unassigned	-	-	(559,842)	(17)	-	443,634	-	-	-	(7,446)	(123,671)
Total Fund Balances	8,334	124,916	(559,842)	(17)	4,905	443,634	115,870	717	20,790	(7,446)	151,861
Total Liabilities & Fund Balance	$ 8,334	$ 124,916	$ 57,542	$ 319,658	$ 4,905	$ 443,634	$ 127,745	$ 717	$ 26,056	$ -	$ 1,113,507

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, 2017

	Law Library	Confiscated Assets	E-911	CDBG EIP	Victim's Assistance	E-911 Radio System Fund	Mandatory Drug Fund	K-9 Drug Fund	Decatur County Prison Account	Decatur County Jail Fund	Totals
Revenues											
Charges for services	$ 6,296	$ -	$ 408,264	$ -	$ -	$ -	$ -	$ -	$ 127,928	$ -	$ 542,488
Fines and forfeitures	-	127,406	-	-	-	-	38,822	-	-	68,021	234,249
Intergovernmental	-	-	635,960	61,459	36,262	443,634	-	20,000	-	-	1,197,315
Interest	-	-	-	2,790	-	-	206	-	-	-	2,996
Total Revenues	6,296	127,406	1,044,224	64,249	36,262	443,634	39,028	20,000	127,928	68,021	1,977,048
Expenditures											
General Government	6,530	-	-	-	-	-	-	-	-	-	6,530
Public Safety	-	11,700	1,132,436	-	36,262	-	-	19,283	128,482	76,394	1,404,557
Housing and Development	-	-	-	254,927	-	-	-	-	-	-	254,927
Public Safety-Capital Outlay	-	-	247,730	-	-	-	-	-	-	-	247,730
Public Safety-Principal	-	-	68,317	-	-	-	-	-	-	-	68,317
Public Safety-Interest	-	-	9,293	-	-	-	-	-	-	-	9,293
Total Expenditures	6,530	11,700	1,457,776	254,927	36,262	-	-	19,283	128,482	76,394	1,991,354
Excess (deficiency) of revenues over expenditures	(234)	115,706	(413,552)	(190,678)	-	443,634	39,028	717	(554)	(8,373)	(14,306)
Other Financing Sources											
Transfers in	-	-	73,278	-	-	-	-	-	-	-	73,278
Transfers (out)	-	-	-	-	-	-	(75,000)	-	(4,304)	-	(79,304)
Total Other Financing Sources	-	-	73,278	-	-	-	(75,000)	-	(4,304)	-	(6,026)
Net Change in Fund Balance	(234)	115,706	(340,274)	(190,678)	-	443,634	(35,972)	717	(4,858)	(8,373)	(20,332)
Fund Balance-beginning of period	8,568	9,210	(219,568)	190,661	4,905	-	151,842	-	25,648	927	172,193
Fund Balance-end of period	$ 8,334	$ 124,916	$ (559,842)	$ (17)	$ 4,905	$ 443,634	$ 115,870	$ 717	$ 20,790	$ (7,446)	$ 151,861

DECATUR COUNTY, GEORGIA
Debt Service Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2017

	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	159,579	(827)
Interest	10,769	10,769	9,942	827
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, 2017

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fees From Courts	$ 16,000	$ 16,000	$ 6,296	$ (9,704)
Total Revenues	16,000	16,000	6,296	(9,704)
Expenditures				
Books & Publications	16,000	16,000	6,530	9,470
Total Expenditures	16,000	16,000	6,530	9,470
Excess (Deficiency) of Revenues Over Expenditures	-	-	(234)	(234)
Fund Balance-beginning of period	8,568	8,568	8,568	-
Fund Balance-end of period	$ 8,568	$ 8,568	$ 8,334	$ (234)

DECATUR COUNTY, GEORGIA
Confiscated Assets - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Confiscated Assets	$ 10,000	$ 11,700	$ 127,406	$ 115,706
Interest	70	70	-	(70)
Total Revenues	10,070	11,770	127,406	115,636
Expenditures				
Public Safety	10,070	11,770	11,700	70
Total Public Safety Expenditures	10,070	11,770	11,700	70
Excess (Deficiency) of Revenues Over Expenditures	-	-	115,706	115,706
Fund Balance-beginning of period	9,210	9,210	9,210	-
Fund Balance-end of period	$ 9,210	$ 9,210	$ 124,916	$ 115,706

DECATUR COUNTY, GEORGIA
E-911 - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Local Government Units (Grady County)	$ 728,080	$ 728,080	$ 635,960	$ (92,120)
E-911 Charges	431,919	431,919	408,264	(23,655)
Total Revenues	1,159,999	1,159,999	1,044,224	(115,775)
Expenditures				
Operating Expenditures	1,582,782	1,582,782	1,132,436	450,346
Capital Outlay	-	-	247,730	(247,730)
Principal	-	-	68,317	(68,317)
Interest	-	-	9,293	(9,293)
Total Expenditures	1,582,782	1,582,782	1,457,776	125,006
Excess (Deficiency) of Revenues Over Expenditures	(422,783)	(422,783)	(413,552)	9,231
Other Financing Sources				
Operating Transfers In	422,783	422,783	73,278	(349,505)
Total Other Financing Sources	422,783	422,783	73,278	(349,505)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	(340,274)	(340,274)
Fund Balance - beginning of period	(219,568)	(219,568)	(219,568)	-
Fund Balance - end of period	$ (219,568)	$ (219,568)	$ (559,842)	$ (340,274)

DECATUR COUNTY, GEORGIA
CDBG EIP - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
EIP Principal Payment	$ 49,044	$ 57,544	$ 61,459	$ 3,915
Interest income	6,331	6,331	2,790	(3,541)
Total Revenues	55,375	63,875	64,249	374
Expenditures				
Operating Expenditures	55,375	255,375	254,927	448
Total Expenditures	55,375	255,375	254,927	448
Excess (Deficiency) of Revenues Over Expenditures	-	(191,500)	(190,678)	822
Fund Balance - beginning of period	190,661	190,661	190,661	-
Fund Balance - end of period	$ 190,661	$ (839)	$ (17)	$ 822

DECATUR COUNTY, GEORGIA
Victim's Assistance - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ 37,000	$ 37,000	$ 36,262	$ (738)
Total Revenues	37,000	37,000	36,262	(738)
Expenditures				
Victim services payments	37,000	37,000	36,262	738
Total Expenditures	37,000	37,000	36,262	738
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance - beginning of period	4,905	4,905	4,905	-
Fund Balance - end of period	$ 4,905	$ 4,905	$ 4,905	$ -

DECATUR COUNTY, GEORGIA
E-911 Radio System Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ -	$ 445,000	$ 443,634	$ (1,366)
Total Revenues	-	445,000	443,634	(1,366)
Expenditures				
Public Safety	-	445,000	-	445,000
Total Expenditures	-	445,000	-	445,000
Excess (Deficiency) of Revenues Over Expenditures	-	-	443,634	443,634
Fund Balance - beginning of period	-	-	-	-
Fund Balance - end of period	$ -	$ -	$ 443,634	$ 443,634

Note: No budget was created for this fund because it was created during the fiscal year.

DECATUR COUNTY, GEORGIA
Mandatory Drug Fund - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fines and forfeitures	$ 42,000	$ 42,000	$ 38,822	$ (3,178)
Interest income	400	400	206	(194)
Total Revenues	42,400	42,400	39,028	(3,372)
Excess (Deficiency) of Revenues Over Expenditures	42,400	42,400	39,028	(3,372)
Other Financing Sources				
Operating Transfers (Out)	(75,000)	(75,000)	(75,000)	-
Total Other Financing Sources	(75,000)	(75,000)	(75,000)	-
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	(32,600)	(32,600)	(35,972)	(3,372)
Fund Balance - beginning of period	151,842	151,842	151,842	-
Fund Balance - end of period	$ 119,242	$ 119,242	$ 115,870	$ (3,372)

DECATUR COUNTY, GEORGIA
K-9 Drug Fund - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Intergovernmental revenues	$ -	$ 20,000	$ 20,000	$ -
Total Revenues	-	20,000	20,000	-
Expenditures				
Public Safety	-	20,000	19,283	717
Total Expenditures	-	20,000	19,283	717
Excess (Deficiency) of Revenues Over Expenditures	-	-	717	717
Fund Balance - beginning of period	-	-	-	-
Fund Balance - end of period	$ -	$ -	$ 717	$ 717

DECATUR COUNTY, GEORGIA
Decatur County Prison Account - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Charges for services	$ 135,000	$ 135,000	$ 127,928	$ (7,072)
Total Revenues	135,000	135,000	127,928	(7,072)
Expenditures				
Public Safety	135,000	135,000	128,482	6,518
Total Expenditures	135,000	135,000	128,482	6,518
Excess (Deficiency) of Revenues Over Expenditures	-	-	(554)	(554)
Other Financing Sources				
Operating Transfers (Out) (General Fund)	-	-	(4,304)	(4,304)
Unreserved, reported in non-major:	-	-	(4,304)	(4,304)
Excess (Deficiency) of Revenues and Expenditures and Other Uses	-	-	(4,858)	(4,858)
Fund Balance - beginning of period	25,648	25,648	25,648	-
Fund Balance - end of period	$ 25,648	$ 25,648	$ 20,790	$ (4,858)

DECATUR COUNTY, GEORGIA
Decatur County Jail Fund - Special Revenue Fund
Budget Comparison Schedule (GAAP)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fines and Fees	$ 50,000	$ 68,500	$ 68,021	$ (479)
Total Revenues	50,000	68,500	68,021	(479)
Expenditures				
Public Safety	50,000	76,500	76,394	106
Total Expenditures	50,000	76,500	76,394	106
Excess (Deficiency) of Revenues Over Expenditures	-	(8,000)	(8,373)	(373)
Other Financing Sources				
Operating Transfers In (General Fund)	-	8,000	-	(8,000)
Unreserved, reported in non-major:	-	8,000	-	(8,000)
Excess (Deficiency) of Revenues and Expenditures and Other Uses	-	-	(8,373)	(8,373)
Fund Balance - beginning of period	927	927	927	-
Fund Balance - end of period	$ 927	$ 927	$ (7,446)	$ (8,373)

DECATUR COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED June 30, 2017

FIDUCIARY FUNDS

DECATUR COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Fiscal Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
MAGISTRATE'S COURT				
Assets				
Cash	$ 7	$ 342,528	$ 342,534	$ 1
Total Assets	$ 7	$ 342,528	$ 342,534	$ 1
Liabilities				
Due to other agencies	$ -	$ 141,570	$ 141,570	$ -
Due to others	7	200,958	200,964	1
Total Liabilities	$ 7	$ 342,528	$ 342,534	$ 1
CLERK OF THE COURTS				
Assets				
Cash	$ 168,789	$ 1,037,239	$ 1,038,371	$ 167,657
Total Assets	$ 168,789	$ 1,037,239	$ 1,038,371	$ 167,657
Liabilities				
Due to other agencies	$ 165,915	$ 896,404	$ 898,328	$ 163,991
Due to others	2,874	140,835	140,043	3,666
Total Liabilities	$ 168,789	$ 1,037,239	$ 1,038,371	$ 167,657
TAX COMMISSIONER				
Assets				
Cash	$ 747,141	$ 35,607,218	$ 35,643,523	$ 710,836
Receivables	741,765	28,358,672	28,449,465	650,972
Total Assets	$ 1,488,906	$ 63,965,890	$ 64,092,988	$ 1,361,808
Liabilities				
Due to other agencies	$ 1,271,424	$ 63,933,482	$ 64,028,509	$ 1,176,397
Due to others	217,482	32,408	64,479	185,411
Total Liabilities	$ 1,488,906	$ 63,965,890	$ 64,092,988	$ 1,361,808
PROBATE COURT				
Assets				
Cash	$ 129	$ 96,524	$ 96,524	$ 129
Total Assets	$ 129	$ 96,524	$ 96,524	$ 129
Liabilities				
Due to other agencies	$ 129	$ 96,524	$ 96,524	$ 129
Total Liabilities	$ 129	$ 96,524	$ 96,524	$ 129
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	$ 916,066	$ 37,083,509	$ 37,120,952	$ 878,623
Receivables	741,765	28,358,672	28,449,465	650,972
Total Assets	$ 1,657,831	$ 65,442,181	$ 65,570,417	$ 1,529,595
Liabilities				
Due to other agencies	$ 1,437,468	$ 65,067,980	$ 65,164,931	$ 1,340,517
Due to others	220,363	374,201	405,486	189,078
Total Liabilities	$ 1,657,831	$ 65,442,181	$ 65,570,417	$ 1,529,595

DECATUR COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED June 30, 2017

INTERNAL SERVICE FUNDS

DECATUR COUNTY, GEORGIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2017

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Assets			
Current Assets:			
Cash on hand and in banks	$ -	$ 38,521	$ 38,521
Accounts receivable	-	278,643	278,643
Prepaid insurance	45,993	-	45,993
Due from other funds	10,323,698	-	10,323,698
Total current assets	10,369,691	317,164	10,686,855
Noncurrent assets:			
Property, plant & equipment (net of accumulated depreciation)	74,594	-	74,594
Total noncurrent assets	74,594	-	74,594
Total Assets	10,444,285	317,164	10,761,449
Liabilities			
Current liabilities:			
Accounts payable	20,008	-	20,008
Accrued expenses	12,986	-	12,986
Due to other agencies	10,683,991	958,349	11,642,340
Total current liabilities	10,716,985	958,349	11,675,334
Total Liabilities	10,716,985	958,349	11,675,334
Net Position			
Investment in capital assets	74,594	-	74,594
Unrestricted	(347,294)	(641,185)	(988,479)
Total Net Position (deficit)	$ (272,700)	$ (641,185)	$ (913,885)

DECATUR COUNTY, GEORGIA
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2017

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Operating Revenues			
Charges for services	$ 1,592,642	$ 2,604,912	$ 4,197,554
Total Operating Revenue	1,592,642	2,604,912	4,197,554
Operating Expenses			
Personal services	621,809	-	621,809
Services and supplies	966,786	2,604,912	3,571,698
Depreciation	4,047	-	4,047
Total Operating Expense	1,592,642	2,604,912	4,197,554
Operating Income (Loss)	-	-	-
Net position (deficit) - beginning of year	(272,700)	(641,185)	(913,885)
Net position (deficit) - end of year	$ (272,700)	$ (641,185)	$ (913,885)

DECATUR COUNTY, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2017

	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Cash flows from Operating Activities			
Cash received from customers	$ 1,592,642	$ 2,462,306	$ 4,054,948
Cash payments to suppliers for goods & services	(948,942)	(2,455,103)	(3,404,045)
Cash payments to employees for services	(627,023)	-	(627,023)
Net cash provided (used) by operating activities	16,677	7,203	23,880
Cash Flows from Capital & Related Financing Activities			
Acquisition & construction of capital assets	(16,677)	-	(16,677)
Net cash provided (used) from Capital and related financing activities	(16,677)	-	(16,677)
Net increase (decrease) in cash & cash equivalents	-	7,203	7,203
Cash & cash equivalents - beginning of year	-	31,318	31,318
Cash & cash equivalents - end of year	$ -	$ 38,521	$ 38,521
Displayed as:			
Cash on hand and in banks	$ -	$ 38,521	$ 38,521
Restricted assets: Cash and investments, at cost	-	-	-
Totals	$ -	$ 38,521	$ 38,521

DECATUR COUNTY, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2017

Reconciliation of operating income to net cash provided by operating activities	Administrative Cost Internal Service Fund	Health Insurance Internal Service Fund	Totals
Operating income (loss)	$ -	$ -	$ -
Depreciation	4,047	-	4,047
Change in Assets & Liabilities:			
(Increase) decrease in accounts receivable	-	(142,606)	(142,606)
Increase (decrease) in accounts payable	4,152	(16,116)	(11,964)
Increase (decrease) in accrued expenses	(5,214)	-	(5,214)
(Increase) decrease in due from other funds	13,692	165,925	179,617
Net cash provided (used) by operating activities	$ 16,677	$ 7,203	$ 23,880

STATE REPORTING REQUIREMENTS

DECATUR COUNTY, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
For the Fiscal Year Ended June 30, 2017

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	$ 96,469	$ 205,002	6.15%
Public Safety	3,800,475	*	202,200	720,727	922,927	24.28%
Public Works	5,067,300	*	791,114	173,654	964,768	19.04%
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	339,042	17.34%
Industrial Park	595,630		3,192	-	3,192	0.54%
Total	$ 15,907,950		$ 1,407,475	$ 1,160,371	$ 2,567,846	16.14%

* Prior year numbers restated to include qualified expenditures reimbursed to other funds.

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	$ 1,494,547	$ 3,211,650
City of Attapulgus	555,450	71,806	62,499	134,305
City of Climax	348,450	45,046	39,208	84,254
City of Brinson	265,650	34,342	29,891	64,233
Hospital Authority	4,140,000	535,201	465,833	1,001,034
Total	$ 18,592,050	$ 2,403,498	$ 2,091,978	$ 4,495,476

Reconciliation to SPLOST Capital Project Fund:	
Expenditures per Schedule above	$ 3,252,349
SPLOST debt service expenditures reported in the Debt Service Fund	(169,521)
Transfers to Prision Enterprise Fund	(16,015)
Grant proceeds expended for road projects	1,182,020
Net Adjustments	996,484
Expenditures and transfers per Statements on page 6	$ 4,248,833

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, 2017

	Per Audited Financials	Per Local Revolving Loan Semi-Annual Report
Assets		
Cash	$ 7,944	$ 7,944
Notes receivable	311,714	311,714
Total Assets	$ 319,658	$ 319,658
Liabilities and fund balance	$ 319,658	$ 319,658

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

Simmons-McIntyre Rd

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

June 30, 2017

Total Program Year 2017 funds allocated to recipient	$ 500,000
Less: Total Program Year 2017 funds drawn down by recipient	500,000
Funds still available from Program Year 2017 Resources	$ -
Total Program Year 2017 funds held at Fiscal Year-End	$ -
Total Program Year 2017 funds drawn down and received by recipient	500,000
Less: Funds applied and expended to Program Year 2017 costs	500,000
TOTAL PROGRAM YEAR 2017 FUNDS HELD BY RECIPIENT	$ -

DECATUR COUNTY, GEORGIA
Community Development Block Grant
Project Cost Schedule

Simmons-McIntyre Rd

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

June 30, 2017

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	$ 278,377	$ -	$ 278,377	$ -
T-03K-01	33,405	-	33,405	33,405	-
P-03K-02	145,225	143,695	1,530	145,225	-
T-03K-02	12,993		12,993	12,993	-
C-022-00	-	-	-	-	-
A-21A-00	30,000	6,000	24,000	30,000	-
TOTAL	$ 500,000	$ 428,072	$ 71,928	$ 500,000	$ -

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2017

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)	$ 565,858
5b	Employee benefits	46-5-134(f)(1)(C)	$ 202,484
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$ 1,490
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)	$ 7,191
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)	$ 247,730
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)	$ 37,868
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, 2017

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		$ 18,044
	Postage		$ 89
	Travel		$ 4,675
	Internet Cost		$ 7,420
	Dues and subscriptions		$ 100
	Contractual Services		$ 144,300

Decatur County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Fiscal Year Ended June 30, 2017

Energy	$	20,377
Administrative cost - **paid with resources transferred from General Fund**	$	73,278
Other costs and services	$	49,262
18 Total Expenditures (total of all amounts reported on Lines 2 through 17 above)	$	1,457,776

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 12/28/17

Print Name of Chief Financial Officer Pete Stephens

Title of Chief Elected Official Vice Chairman

Signature of Chief Financial Officer Michelle West Date 12/28/17

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, 2017, and the related notes to the financial statements, which collectively comprise Decatur County's basic financial statements and have issued our report thereon dated December 28, 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*.

100 MAIN STREET | ST. SIMONS ISLAND, GA 31522 | OFFICE 912.638.1010 | FAX 912.638.1013
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
December 28, 2017