JEFFERSON COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2013

Jefferson County, Georgia
Annual Financial Report
For The Year Ended June 30, 2013

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INDEPENDENT AUDITORS' REPORT

Honorable Chairman and Members of the
Board of Commissioners of Jefferson County
Louisville, 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 Jefferson County, Georgia (the County), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Georgia, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 39 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.

Emphasis of Matter

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, the Section 5311 program statement and the accompanying schedules of projects constructed with special purpose local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the accompanying schedules of projects constructed with special purpose local option sales tax proceeds, the Section 5311 program statement and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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, the Section 5311 program statement and the accompanying schedules of projects constructed with special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards 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 16, 2013, on our consideration of the County'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 the County's internal control over financial reporting and compliance.

Jones, Jones, Davis & Associates

Louisville, Georgia
December 16, 2013

Jefferson County, Georgia
Statement of Net Position
June 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	$ 4,140,792	$ 385,829	$ 4,526,621	$ 1,209,648
Receivables:				
Accounts	-	132,872	132,872	-
Property taxes	572,856	-	572,856	21,498
Intergovernmental	414,870	-	414,870	38,861
Interfund	46,168	(46,168)	-	-
Other	70,988	-	70,988	2,328,196
Inventory	26,456	-	26,456	-
Prepaid items	64,586	-	64,586	-
Restricted Assets	-	320,597	320,597	-
Deferred Charges	-	2,358	2,358	-
Capital Assets				
Nondepreciable capital assets	1,038,440	349,788	1,388,228	3,847,026
Depreciable capital assets, net	12,328,772	3,159,066	15,487,838	3,369,909
Total Assets	18,703,928	4,304,342	23,008,270	10,815,138
Liabilities				
Current Liabilities				
Accounts payable	69,632	18,630	88,262	30,806
Accrued expenses	83,915	-	83,915	-
Other liabilities	589,314	-	589,314	9,489
Customer deposits	-	22,963	22,963	-
Compensated absences payable	109,288	8,102	117,390	51,416
Capital leases payable	155,090	100,927	256,017	-
Notes payable	-	-	-	121,673
Revenue bonds payable	-	14,000	14,000	-
Landfill post-closure care costs payable	48,263	-	48,263	-
Long-Term Liabilities:				
Capital leases payable (net of current portion)	85,873	640,830	726,703	-
Revenue bonds payable (net of current portion)	-	137,000	137,000	-
Landfill post-closure care costs payable (net of current portion)	965,260	571,735	1,536,995	-
Total Liabilities	2,106,635	1,514,187	3,620,822	213,384
Net Position				
Net investment in capital assets	13,126,249	2,616,097	15,742,346	7,095,262
Restricted for:				
Capital projects	1,032,330	-	1,032,330	-
Judicial	69,675	-	69,675	-
Public safety	166,576	-	166,576	-
Public works	446,802	320,597	767,399	-
Health and welfare	-	-	-	54,380
Culture and recreation	-	-	-	236,541
Unrestricted	1,755,661	(146,539)	1,609,122	3,215,571
Total Net Position	$ 16,597,293	$ 2,790,155	$ 19,387,448	$ 10,601,754

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Statement of Activities
For the Year Ended June 30, 2013

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants, Contributions and Interest	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government								
Governmental Activities								
General government	$ 1,505,719	$ 241,848	$ -	$ -	$ (1,263,871)	$ -	$ (1,263,871)	$ -
Judicial	958,190	115,247	-	-	(842,943)	-	(842,943)	-
Public safety	4,582,388	1,273,567	79,375	465,277	(2,764,169)	-	(2,764,169)	-
Public works	3,154,382	1,419,334	-	-	(1,735,048)	-	(1,735,048)	-
Health and welfare	734,330	2,016	219,514	-	(512,800)	-	(512,800)	-
Culture and recreation	619,105	27,938	6,100	-	(585,067)	-	(585,067)	-
Conservation of natural resources	86,581	-	-	-	(86,581)	-	(86,581)	-
Housing and development	801,550	-	-	515,273	(286,277)	-	(286,277)	-
Interest	13,132	-	-	-	(13,132)	-	(13,132)	-
Total Governmental Activities	12,455,377	3,079,950	304,989	980,550	(8,089,888)	-	(8,089,888)	-
Business-Type Activities								
Water and sewer	290,667	289,232	-	-	-	(1,435)	(1,435)	-
Solid waste	646,094	750,010	-	-	-	103,916	103,916	-
Total Business-Type Activities	936,761	1,039,242	-	-	-	102,481	102,481	-
Total - Primary Government	$ 13,392,138	$ 4,119,192	$ 304,989	$ 980,550	(8,089,888)	102,481	(7,987,407)	-
Component Units								
Department of Health	$ 593,740	$ 243,615	$ 372,628	$ -	-	-	-	22,503
Development Authority	407,823	252,847	-	1,830,619	-	-	-	1,675,643
Library System	398,053	28,345	347,209	10,000	-	-	-	(12,499)
Total - Component Units	$ 1,399,616	$ 524,807	$ 719,837	$ 1,840,619	-	-	-	1,685,647
		General Revenues						
		Property taxes			6,031,375	-	6,031,375	320,359
		Sales taxes			3,328,306	-	3,328,306	-
		Insurance premium taxes			411,942	-	411,942	-
		Other taxes and revenues			186,753	-	186,753	1,349
		Investment earnings			1,020	5,815	6,835	3,723
		Miscellaneous			169,960	6,600	176,560	1,321
		Total General Revenues			10,129,356	12,415	10,141,771	326,752
		Transfers			71,500	(71,500)	-	-
		Total General Revenues and Transfers			10,200,856	(59,085)	10,141,771	326,752
		Change in Net Position			2,110,968	43,396	2,154,364	2,012,399
		Net Position, Beginning of Year			14,486,325	2,746,759	17,233,084	8,589,355
		Net Position, End of Year			$ 16,597,293	$ 2,790,155	$ 19,387,448	$ 10,601,754

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Balance Sheet
Governmental Funds
June 30, 2013

	General	Grants Fund	SPLOST #3 Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 2,446,884	$ -	$ 1,022,020	$ 671,888	$ 4,140,792
Prepaid items	64,586	-	-	-	64,586
Receivables:					
Property taxes	572,856	-	-	-	572,856
Intergovernmental	186,822	3,000	146,120	78,928	414,870
Interfund	98,698	-	-	5,999	104,697
Other	25,984	-	-	45,004	70,988
Inventory	26,456	-	-	-	26,456
Total Assets	$ 3,422,286	$ 3,000	$ 1,168,140	$ 801,819	$ 5,395,245
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 54,383	$ -	$ -	$ 15,249	$ 69,632
Accrued expenses	78,089	-	-	5,826	83,915
Other liabilities	405,343	3,000	174,288	6,683	589,314
Interfund payable	5,999	-	-	52,530	58,529
Deferred revenue	501,757	-	-	-	501,757
Total Liabilities	1,045,571	3,000	174,288	80,288	1,303,147
Fund Balances					
Nonspendable	91,042	-	-	-	91,042
Restricted					
Capital projects	-	-	993,852	38,478	1,032,330
Judicial	-	-	-	69,675	69,675
Public safety	-	-	-	166,576	166,576
Public works	-	-	-	446,802	446,802
Assigned					
Public safety	70,946	-	-	-	70,946
Unassigned	2,214,727	-	-	-	2,214,727
Total Fund Balances (Deficits)	2,376,715	-	993,852	721,531	4,092,098
Total Liabilities and Fund Balances	$ 3,422,286	$ 3,000	$ 1,168,140	$ 801,819	$ 5,395,245

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Total Governmental Fund Balances		$ 4,092,098
Amounts reported for governmental activities in the statement of net position are different because:		
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net position:		
Interfund receivables	$ 58,529	
Interfund payables	(58,529)	-
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	20,140,633	
Less accumulated depreciation	(6,773,421)	13,367,212
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		501,757
Liabilities, including capital leases, compensated absences and landfill post closure care costs, are not due and payable in the current period and therefore are not reported in the funds:		
Capital leases	(240,963)	
Compensated absences	(109,288)	
Landfill post-closure costs payable	(1,013,523)	(1,363,774)
Net Position of Governmental Activities		$ 16,597,293

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

Revenues	General	Grants Fund	SPLOST #3 Capital Projects	Other Governmental Funds	Total Governmental Funds
Taxes	$ 7,655,796	$ -	$ 2,154,711	$ 465,277	$ 10,275,784
Licenses and permits	29,995	-	-	-	29,995
Intergovernmental	307,052	500,000	-	15,273	822,325
Charges for services	2,205,359	-	-	244,011	2,449,370
Fines, forfeitures and fees	517,311	-	-	65,933	583,244
Investment earnings	820	-	-	200	1,020
Miscellaneous	185,238	-	-	-	185,238
Total Revenues	10,901,571	500,000	2,154,711	790,694	14,346,976
Expenditures					
Current:					
General government	1,407,840	-	-	-	1,407,840
Judicial	951,127	-	-	5,641	956,768
Public safety	3,587,244	-	-	486,131	4,073,375
Public works	2,575,911	-	-	18,475	2,594,386
Health and welfare	684,362	-	-	-	684,362
Culture and recreation	356,975	-	-	-	356,975
Conservation of natural resources	80,881	-	-	-	80,881
Housing and development	-	500,000	-	15,273	515,273
Intergovernmental	-	-	1,282,439	-	1,282,439
Capital Outlay	-	-	382,312	22,987	405,299
Debt Service:					
Principal retirement	6,181	-	48,390	94,194	148,765
Interest and fiscal charges	523	-	4,051	8,558	13,132
Landfill closure/monitoring	37,016	-	-	-	37,016
Total Expenditures	9,688,060	500,000	1,717,192	651,259	12,556,511
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,213,511	-	437,519	139,435	1,790,465
Other Financing Sources (Uses)					
Transfers in (out), net	(237,476)	-	-	308,976	71,500
Net Change in Fund Balances	976,035	-	437,519	448,411	1,861,965
Fund Balances, Beginning of Year	1,400,680	-	556,333	273,120	2,230,133
Fund Balances, End of Year	$ 2,376,715	$ -	$ 993,852	$ 721,531	$ 4,092,098

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

Net Changes In Fund Balances - Total Governmental Funds		$ 1,861,965
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.		
Capital outlay	$ 389,488	
Depreciation expense	(748,338)	(358,850)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes:		
Deferred, end of year	$ 501,757	
Deferred, beginning of year	(353,888)	147,869
Elimination of transfers between governmental funds:		
Transfers in	$ 237,476	
Transfers out	(237,476)	-
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		148,765
Certain liabilities are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences:		
Liability, end of year	$ (109,288)	
Liability, beginning of year	101,405	(7,883)
Landfill post-closure care:		
Liability, end of year	(1,013,523)	
Liability, beginning of year	1,332,625	319,102
Change In Net Position of Governmental Activities		$ 2,110,968

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities - Enterprise Funds		
Assets	**Water and Sewer**	**Solid Waste**	**Total**
Current Assets:			
Cash and cash equivalents	$ 148,043	$ 237,786	$ 385,829
Accounts receivable	23,974	108,898	132,872
Total Current Assets	172,017	346,684	518,701
Noncurrent Assets:			
Restricted Assets:			
Cash and cash equivalents	-	320,597	320,597
Deferred Charges	2,358	-	2,358
Capital Assets:			
Nondepreciable, net	-	349,788	349,788
Depreciable, net	930,845	2,228,221	3,159,066
Total Noncurrent Assets	933,203	2,898,606	3,831,809
Total Assets	1,105,220	3,245,290	4,350,510
Liabilities			
Current Liabilities:			
Accounts payable	11,163	7,467	18,630
Other liabilities	-	-	-
Compensated absences	3,626	4,476	8,102
Customer deposits	22,963	-	22,963
Interfund payable	-	46,168	46,168
Capital leases payable	-	100,927	100,927
Revenue bonds payable	14,000	-	14,000
Total Current Liabilities	51,752	159,038	210,790
Long-Term Liabilities:			
Capital leases payable (net of current portion)	-	640,830	640,830
Revenue bonds payable (net of current portion)	137,000	-	137,000
Landfill closure/post-closure care costs	-	571,735	571,735
Total Long-Term Liabilities	137,000	1,212,565	1,349,565
Total Liabilities	188,752	1,371,603	1,560,355
Net Position			
Net investment in capital assets	779,845	1,836,252	2,616,097
Restricted for landfill trust purposes	-	320,597	320,597
Unrestricted	136,623	(283,162)	(146,539)
Total Net Position	$ 916,468	$ 1,873,687	$ 2,790,155

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Solid Waste	Total
Operating Revenues			
Charges for services	$ 275,162	$ 338,877	$ 614,039
Solid waste maintenance fees	-	411,133	411,133
Miscellaneous	14,070	-	14,070
Total Operating Revenues	289,232	750,010	1,039,242
Operating Expenses			
Cost of water	90,619	-	90,619
Salaries	68,731	71,830	140,561
Employee benefits	26,663	24,558	51,221
Repairs	5,837	35,573	41,410
Supplies	-	33,811	33,811
Utilities	6,645	6,682	13,327
Other	31,030	161,397	192,427
Landfill closure/postclosure care costs	-	38,656	38,656
Depreciation	52,648	270,393	323,041
Amortization	294	-	294
Total Operating Expenses	282,467	642,900	925,367
Operating Income (Loss)	6,765	107,110	113,875
Non-Operating Revenues (Expenses)			
Interest and fiscal charges	(8,200)	(3,194)	(11,394)
Gain on sale of assets	-	6,600	6,600
Investment earnings	94	5,721	5,815
Total Non-Operating Revenues (Expenses)	(8,106)	9,127	1,021
Income (Loss) before Transfers	(1,341)	116,237	114,896
Transfers in (out)	-	(71,500)	(71,500)
Change in Net Position	(1,341)	44,737	43,396
Net Position, Beginning of Year	917,809	1,828,950	2,746,759
Net Position, End of Year	$ 916,468	$ 1,873,687	$ 2,790,155

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Solid Waste	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from customers	$ 288,723	$ 721,987	$ 1,010,710
Cash payments to employees for services	(68,889)	(74,448)	(143,337)
Cash payments for employee benefits	(26,663)	(24,558)	(51,221)
Cash payments for goods and services	(134,185)	(358,176)	(492,361)
Net Cash Provided by (Used in) Operating Activities	58,986	264,805	323,791
Cash Flows from Noncapital Financing Activities			
Transfers in (out)	-	(71,500)	(71,500)
Net Cash Provided by (Used in) Noncapital Financing Activities	-	(71,500)	(71,500)
Cash Flows from Capital and Related Financing Activities			
Purchase/construction of capital assets	(56,458)	(13,900)	(70,358)
Principal paid on long term debt	(13,000)	(13,387)	(26,387)
Interest paid	(8,200)	(3,194)	(11,394)
Proceeds from sale of equipment	-	71,500	71,500
Net Cash Provided by (Used in) Capital and Related Financing Activities	(77,658)	41,019	(36,639)
Cash Flows from Investing Activities			
Investment earnings	94	5,721	5,815
Net Increase (Decrease) in Cash and Cash Equivalents	(18,578)	240,045	221,467
Cash and Cash Equivalents, Beginning of Year	166,621	318,338	484,959
Cash and Cash Equivalents, End of Year	$ 148,043	$ 558,383	$ 706,426
Non-cash transactions:			
Capital assets acquired thru inception of capital lease	$ -	$ 755,144	$ 755,144

Continued

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

(Continued)

	Business-type Activities - Enterprise Funds		
	Water and Sewer	**Solid Waste**	**Total**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ 6,765	$ 107,110	$ 113,875
Adjustments:			
Depreciation and amortization	52,942	270,393	323,335
Change in estimate of closure and post-closure care	-	38,656	38,656
(Increase) Decrease in Assets:			
Accounts receivable	(561)	(28,023)	(28,584)
Increase (Decrease) in Liabilities:			
Accounts payable	2,145	(24,407)	(22,262)
Other liabilities	(2,199)	-	(2,199)
Compensated absences payable	(158)	(2,618)	(2,776)
Customer deposits	52	-	52
Interfund payable	-	(96,306)	(96,306)
Net Cash Provided by (Used in) Operating Activities	$ 58,986	$ 264,805	$ 323,791

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Comparative Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 920,735	$ 945,176
Liabilities		
Due to others	$ 920,735	$ 945,176
Total Liabilities	$ 920,735	$ 945,176

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2013

	Jefferson County Department of Health	Development Authority of Jefferson County	Jefferson County Library System	Total
Assets				
Current:				
Cash and cash equivalents	$ 209,116	$ 571,774	$ 428,758	$ 1,209,648
Receivables:				
Taxes	-	21,498	-	21,498
Intergovernmental	-	38,861	-	38,861
Other	46,342	2,281,854	-	2,328,196
Capital Assets:				
Nondepreciable capital assets	-	3,847,026	-	3,847,026
Depreciable capital assets, net	-	3,215,400	154,509	3,369,909
Total Assets	255,458	9,976,413	583,267	10,815,138
Liabilities				
Current Liabilities:				
Accounts payable	17,173	11,837	1,796	30,806
Other liabilities	-	-	9,489	9,489
Compensated absences	36,060	-	15,356	51,416
Notes payable	-	121,673	-	121,673
Total Liabilities	53,233	133,510	26,641	213,384
Net Position				
Net investment in capital assets	-	6,940,753	154,509	7,095,262
Restricted:				
Health and welfare	54,380	-	-	54,380
Culture and recreation	-	-	236,541	236,541
Unrestricted	147,845	2,902,150	165,576	3,215,571
Total Net Position	$ 202,225	$ 9,842,903	$ 556,626	$ 10,601,754

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2013

	Jefferson County Department of Health	Development Authority of Jefferson County	Jefferson County Library System	Total
Expenses				
Health and welfare	$ 593,740	$ -	$ -	$ 593,740
Culture and recreation	-	-	398,053	398,053
Economic development	-	406,004	-	406,004
Interest	-	1,819	-	1,819
Total Expenses	593,740	407,823	398,053	1,399,616
Revenues				
Program revenues:				
Charges for services	243,615	252,847	28,345	524,807
Operating grants and contributions	372,628	-	347,209	719,837
Capital grants and contributions	-	1,830,619	10,000	1,840,619
Total Program Revenues	616,243	2,083,466	385,554	3,085,263
Net Program (Expense)	22,503	1,675,643	(12,499)	1,685,647
General Revenues				
Property taxes	-	320,359	-	320,359
Other taxes	-	1,349	-	1,349
Investment earnings	242	528	2,953	3,723
Miscellaneous	-	-	1,321	1,321
Total General Revenues	242	322,236	4,274	326,752
Change in Net Position	22,745	1,997,879	(8,225)	2,012,399
Net Position, Beginning of Year	179,480	7,845,024	564,851	8,589,355
Net Position, End of Year	$ 202,225	$ 9,842,903	$ 556,626	$ 10,601,754

See accompanying notes to the basic financial statements.

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Jefferson County, Georgia (the County) is a political subdivision of the State of Georgia. The County is governed by a five member elected board of county commissioners which is governed by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge, Magistrate Court Judge and Clerk of Superior Court. The cost of operations of the Superior Court Judges and the District Attorney, which are elected court functions, is shared with the State of Georgia. Only that portion of the cost for which the County is responsible is reported in the County's financial statements.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.
The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the various constitutional officers including the Clerk of Court, the Sheriff, the Probate Court, the Tax Commissioner and the Magistrate Court.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The component unit column included on the government-wide financial statements identifies the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

Brief descriptions of the discretely presented component units follow:

Jefferson County Department of Health (the Health Department) – The Health Department works to promote and preserve the health of the citizens of the County. The Health Department board consists of seven members, four of these members are appointed by the county commission. Although the County does not have the authority to approve or modify the Department of Health's budgets, it does have the ability to control the amount of funding it provides to the Health Department and such funding is significant to the overall operations of the Department of Health. Complete financial statements for the Health Department may be obtained from its administrative office.

The Development Authority of Jefferson County (the Development Authority) – The Development Authority is responsible for encouraging economic development within the County. The county commission appoints a majority of the members of the authority board. Complete financial statements may be obtained from its administrative office.

Jefferson County Library System (the Library) – The Library operates to provide public library services with costs shared by participating local government agencies and grants from the State of Georgia. The county commission appoints a majority of the members of the governing board. Complete financial statements may be obtained from its administrative office.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the County's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the County and it's discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted.*

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for government and proprietary funds.

Major individual governmental and business-type activities are reported in separate columns.

Fund Accounting - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

> ***Governmental Funds*** - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

Note 1 - Summary of Significant Accounting Policies (Continued)

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Georgia.

The Grants Fund – This fund is used to account for the activity associated with specific grant revenues and grant expenditures.

The SPLOST #3 Capital Projects Fund – This fund is used to account for the acquisition or construction of capital projects and intergovernmental expenditures authorized and funded by the 2011 special local option sales tax.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The proprietary funds are classified as major enterprise funds as follows:

The Water and Sewer Fund – This fund is used to account for the County's water and sewer system.

The Solid Waste Fund – This fund is used to account for the County's solid waste program.

Fiduciary Funds – Fiduciary fund reporting focuses on changes in assets and liabilities. The County's fiduciary funds are agency funds.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of revenues, expenses and changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected

Note 1 - Summary of Significant Accounting Policies (Continued)

soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

Deferred/Unearned Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

On the government-wide statement of net position, deferred revenue is reclassified as "unearned revenue."

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Uncollected and unbilled water/sewer charges and landfill user charges are accrued as receivables and revenue at June 30, 2013.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first in, first out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed. Inventories of the proprietary funds are expensed when consumed.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

1-E-6 Restricted Assets

As of June 30, 2013, the County, in accordance with state and federal guidelines, held $ 320,597 in a trust to finance estimated landfill closure and post-closure care costs.

1-E-7 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the Government fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. Currently, the County is reporting its infrastructure prospectively beginning with fiscal year 2004. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Note 1 - Summary of Significant Accounting Policies (Continued)

	Estimated Lives	
Asset Class	Governmental Activities	Business-type Activities
Buildings	20-40 Years	40 Years
Fixed equipment	5-20 Years	---
Vehicles	5 Years	---
Mobile equipment	15-20 Years	---
Roads and infrastructure	40-50 Years	---
Equipment	---	5-25 Years
Site improvements	---	19-76 Years
Water/sewer system components	---	5-50 Years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-8 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "*when due*."

1-E-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-10 Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

At governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as expenditure.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-11 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 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:

- ***Non-spendable*** – Fund balances are reported as non-spendable 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 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. By policy, the County has authorized the County administrator 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 balances may be reported in all other 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 investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferral amounts. Net position 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. 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.

1-E-12 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water and sewer and solid waste. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of each fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-13 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-14 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

1-E-15 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-16 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been restated and reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information

The County adopts an annual operating budget for the general fund and each special revenue fund. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

The general fund, special revenue and debt service fund budgets are adopted on a basis consistent with GAAP. Budgets for capital projects funds are adopted on a basis consistent with GAAP except the budget period is a project period rather than an annual period.

Total appropriations for any fund may be increased if, during the year, sources of revenue become available to the County in excess of original anticipations, and these amounts are anticipated by the Finance Committee and subsequently appropriated by the Board of Commissioners. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the County Commissioners.

Note 3 – Detailed Notes on All Funds

Department directors may approve budget transfers within departments, with certain exceptions. During the year, the Board of Commissioners approved budget revisions. All unexpended annual appropriations lapse at year-end.

3-A. Deposits and Investments

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be recovered. State statutes require all deposits and investments to be collateralized by depository insurance, obligations of the U. S. government, or bonds of public authorities, counties or municipalities. The County's custodial credit risk policy requires all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits.

At June 30, 2013, the County's the bank balances of $ 6,062,222 were exposed to custodial credit risk as follows: $4,592,573 was uninsured and collateralized with securities held by the pledging financial institution, by its trust department or agent, but not in the County's name.

Cash & Investment Reconciliation:

	Cash and Cash Equivalents
Fund Reporting Level:	
Governmental Funds - Balance Sheet	$ 4,140,792
Proprietary Fund Type Statement of Net Assets	385,829
Proprietary Fund Type Statement of Net Assets - Restricted Assets	320,597
Statement of Fiduciary Assets and Liablilities	920,735
Total	$ 5,767,953

At June 30, 2013, the County's component units' bank balances of $ 1,276,794 were exposed to custodial credit risk as follows: $ 42,940 was uninsured and collateralized with securities held by the financial institution, by its trust department or agency, but not in the component unit's name.

3-B. Receivables

Receivables at June 30, 2013, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

3-C. Property Taxes

County property taxes are based on assessments of property values on January 1, assessed by the County Tax Assessors' office. The digest is prepared by the assessor's office and verified by the Georgia Department of Revenue. The Board of Commissioners set the property tax millage rate in August 2012. Property tax bills were mailed on October 1, 2012 and were due by December 20, 2012. Property taxes attach as an enforceable lien on property as of January 1. The County bills and collects its own property taxes and also collects property taxes for the County Board of Education and the State of Georgia. Any taxes not paid by due date are considered delinquent and are subject to a 10% penalty and an interest charge. If taxes remain delinquent by May of the following year, a fifa is issued against the property, and the county can advertise and sell the property at a tax sale.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

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

	Beginning Balance	Additions	Deductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Nondepreciable capital assets:				
Land	$ 1,038,440	$ -	$ -	$ 1,038,440
Total capital assets not being depreciated	1,038,440	-	-	1,038,440
Depreciable capital assets:				
Buildings	12,256,792	-	-	12,256,792
Fixed equipment	1,649,702	73,911	-	1,723,613
Vehicles	1,972,042	307,702	100,053	2,179,691
Roads and infrastructure	1,050,056	-	-	1,050,056
Mobile equipment	1,884,166	7,875	-	1,892,041
Total depreciable capital assets	18,812,758	389,488	100,053	19,102,193
Total capital assets	19,851,198	389,488	100,053	20,140,633
Accumulated depreciation:				
Buildings	3,435,582	319,911	-	3,755,493
Fixed equipment	534,394	120,846	-	655,240
Vehicles	913,021	193,551	100,053	1,006,519
Roads	144,448	32,136	-	176,584
Mobile equipment	1,097,691	81,894	-	1,179,585
Total accumulated depreciation	6,125,136	748,338	100,053	6,773,421
Governmental activitivties capital assets, net	$ 13,726,062	$ (358,850)	$ -	$ 13,367,212

Governmental activities depreciation expense:

General government	$ 64,467
Public safety	384,960
Public works	190,882
Health and welfare	52,825
Culture and recreation	49,504
Conservation of natural resources	5,700
Total governmental activities depreciation expense	$ 748,338

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (Continued)

	Beginning Balance	Additions	Deductions	Ending Balance
BUSINESS-TYPE ACTIVITIES:				
Non-depreciable capital assets:				
Land	$ 349,788	-	-	$ 349,788
Total non-depreciable capital assets	349,788	-	-	349,788
Depreciable capital assets:				
Land improvements	2,794,417	-	-	2,794,417
Buildings and improvements	618,209	-	-	618,209
Water and sewer system	2,111,666	56,458	-	2,168,124
Machinery and equipment	2,080,514	769,044	278,143	2,571,415
Total depreciable capital assets	7,604,806	825,502	278,143	8,152,165
Total capital assets	7,954,594	825,502	278,143	8,501,953
Accumulated depreciation:				
Land improvements	1,852,924	153,832	-	2,006,756
Buildings and improvements	208,442	15,455	-	223,897
Water and sewer system	1,194,129	48,360	-	1,242,489
Machinery and equipment	1,627,806	105,394	213,243	1,519,957
Total accumulated depreciation	4,883,301	323,041	213,243	4,993,099
Business-type activities capital assets, net	$ 3,071,293	$ 502,461	$ 64,900	$ 3,508,854

(Continued on the next page)

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (Continued)

	Beginning Balance	Additions	Deductions	Ending Balance
COMPONENT UNITS:				
Non-depreciable capital assets:				
Land	$ 2,115,589	$ -	$ -	$ 2,115,589
Construction in progress	-	1,731,437	-	1,731,437
Total non-depreciable capital assets	2,115,589	1,731,437	-	3,847,026
Buildings and improvements	3,806,988	-	-	3,806,988
Library collections	649,600	14,115	9,816	653,899
Equipment and vehicles	166,519	10,000	-	176,519
Total depreciable capital assets	4,623,107	24,115	9,816	4,637,406
Total capital assets	6,738,696	1,755,552	9,816	8,484,432
Accumulated depreciation:				
Buildings and improvements	510,652	89,690	-	600,342
Library collections	476,286	41,920	9,816	508,390
Equipment and vehicles	151,373	7,392	-	158,765
Total accumulated depreciation	1,138,311	139,002	9,816	1,267,497
Component unit capital assets, net	$ 5,600,385	$ 1,616,550	$ -	$ 7,216,935

(Continued on the next page)

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Interfund Balances and Transfers

Interfund balances and transfers for the year ended June 30, 2013, consisted of the following:

Interfund Balances

	Due from:			
Due to:	General Fund	Non-Major Governmental Fund	Solid Waste Fund	Total
General Fund	$ -	$ 52,530	$ 46,168	$ 98,698
Non-Major Governmental Fund	5,999	-	-	5,999
	$ 5,999	$ 52,530	$ 46,168	$ 104,697

Interfund Transfers

	Transfers From:			
Transfer to:	General Fund	Non-Major Governmental Fund	Solid Waste Fund	Total
General Fund	$ -	$ 44,000	$ 71,500	$ 115,500
Non-Major Governmental Fund	352,976	-	-	352,976
	$ 352,976	$ 44,000	$ 71,500	$ 468,476

The transfer from the general fund to E-911 fund (non-major governmental fund) is necessary because the costs associated with the fund are more than the operating revenues of the fund. Transfer from jail improvement fund to the general fund is to help offset costs associated with jail operations. The transfer from solid waste fund to the general fund was a one time event associated with the disposition of capital assets.

3-F. Compensated Absences

The following is a breakdown of compensated absences by department for the year ended June 30, 2013:

General administration	$ 17,751
Court system	4,864
Public safety	62,099
Public works	20,265
Health and welfare	4,309
TOTAL	$ 109,288

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Landfill Closure and Post-closure Care Costs

The County operates a landfill, which opened in January 2000. State and federal laws and regulations require the County to place a final cover on its County Road 138 landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on capacity used as of each balance sheet date. The $ 571,735 reported as landfill closure and post-closure care liability at June 30, 2013, represents the cumulative amount reported to date based on the percentage used (24%) of the estimated total capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of approximately $ 2 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2013. The landfill's remaining estimated useful life is 46.5 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post-closure care. The County is in compliance with these requirements, and at June 30, 2013, investments of $ 320,597 ($ 320,597 market value) are held for these purposes. These are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations), these costs may need to be covered by charges to future landfill users or from tax revenue.

3-G. Short-term Debt

The County entered into tax anticipation note for operating purposes at a local financial institution. Borrowings under this agreement totaled $ 525,000 with interest at 2.35% . The obligation was paid off on its maturity date of December 31, 2012.

The following is a summary of short-term debt transactions for the County for the year ended June 30, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance
Tax anticipation note	$ -	$ 525,000	$ (525,000)	$ -

3-H. Long-term Debt

Governmental Activities Capital Leases - The County has entered into lease agreements as lessee for financing the acquisition of various pieces of equipment and vehicles. The lease agreements meet the criteria of capital leases since they transfer benefits and risks of ownership to the lessee at the end of the lease term. The leases have been recorded at the present value of the future minimum lease payments as of the date of their inceptions. The equipment acquired by the leases outstanding at year end is included in governmental activities general capital assets in the amount of $ 422,210 (cost of $510,477 less accumulated depreciation of $ 88,267). The outstanding balance of the corresponding liabilities is included in governmental activities general long-term debt.

(Continued on the next page)

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-term Debt

Future minimum lease payments are as follows:

Fiscal Year	Governmental Activities
2014	$ 161,897
2015	40,941
2016	29,335
2017	19,557
Total minimum lease payments	251,730
Less amount representing interest	(10,767)
Present value of future minimum lease payments	$ 240,963

Landfill Closure and Post-closure Care Costs – Included in general long-term debt is the estimated costs of post-closure care of the County's Avera Road landfill, as required by the Governmental Accounting Standards Board's Statement # 18, "Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs." State and federal laws and regulations require the County to place a final cover on the landfill when they stop accepting waste, and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Recognition of a liability for landfill closure and post-closure care costs is based upon the capacity used to date of the County's landfill.

During the fiscal year ended June 30, 2000, the County ceased accepting trash at the Avera Road landfill. After delays in the closure process, the County's Avera Road landfill was officially closed in December 2004. The County has recognized 100% of the estimated closure and post-closure care costs. The estimated liability recognized in the financial statements for landfill closure and post-closure care costs ($ 1,013,523) is 100% of the expected costs. The estimates of post-closure care activities will be revised on an annual basis, with the total estimated liability reduced as these costs are incurred. The estimated costs are the engineers' best estimate of future costs and could increase or decrease due to changes in inflation or deflation, technology or applicable laws and regulations.

Business-type Activities Revenue Bonds – In 1983, the County issued $ 359,000 of water and sewerage revenue bonds, Series 1983-A at an interest rate of 5% with annual principal and interest maturity installments due June 30. Proceeds from this issuance were utilized in the extension of the water/sewer system. Annual debt service requirements to amortize the revenue bonds outstanding, as of June 30, 2013, follow:

Fiscal Year	Principal	Interest	Total
2014	$ 14,000	$ 7,550	$ 21,550
2015	15,000	6,850	21,850
2016	15,000	6,100	21,100
2017	16,000	5,350	21,350
2018	17,000	4,550	21,550
2019-2022	74,000	9,500	83,500
Total	$ 151,000	$ 39,900	$ 190,900

Note 3 – Detailed Notes on All Funds (Continued)

3-H. Long-term Debt (Continued)

Business Type Activities Capital Leases - The County has entered into lease agreements as lessee for financing the acquisition of various pieces of equipment. The lease agreements meet the criteria of capital leases since they transfer benefits and risks of ownership to the lessee at the end of the lease term. The leases have been recorded at the present value of the future minimum lease payments as of the date of their inceptions. The equipment acquired by the leases outstanding at year end is included in enterprise funds' capital assets in the amount of $ 739,194 (cost of $ 755,144 less accumulated depreciation of $ 15,950). The outstanding balance of the corresponding liabilities is included in governmental activities general long-term debt. Future minimum lease payments are as follows:

Fiscal Year	Governmental Activities
2014	$ 123,192
2015	123,192
2016	123,192
2017	123,192
2018	342,164
Total minimum lease payments	834,932
Less amount representing interest	(93,175)
Present value of future minimum lease payments	$ 741,757

COMPONENT UNITS

Development Authority – Notes Payable - At June 30, 2013, the Development Authority's long-term debt consisted of a note payable as follows:

Note payable to First State Bank, Wrens, Georgia, having a principal balance of $ 121,673. The note has a variable interest rate tied to the prime rate. The note is a single maturity note due September 2013. The debt is secured by real estate.

Annual debt service requirements to amortize the notes payable outstanding, as of June 30, 2013, follow:

Fiscal Year	Principal	Interest	Total
2014	$ 121,673	$ 1,977	$ 123,650
Total	$ 121,673	$ 1,977	$ 123,650

(Continued on the next page)

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-term Debt (Continued)

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2013:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
Capital leases	$ 389,728	$ -	$ 148,765	$ 240,963	$ 155,090
Landfill post-closure care costs	1,332,625	-	319,102	1,013,523	48,263
Compensated absences	101,405	100,100	92,217	109,288	109,288
Total Governmental Activities	$ 1,823,758	$ 100,100	$ 560,084	$ 1,363,774	$ 312,641
Business-Type Activities					
Water revenue bonds	$ 164,000	$ -	$ 13,000	$ 151,000	$ 14,000
Capital leases	-	755,144	13,387	741,757	100,927
Landfill post-closure care costs	533,079	38,656	-	571,735	-
Total Business-Type Activities	$ 697,079	$ 793,800	$ 26,387	$ 1,464,492	$ 114,927
Component Units:					
Notes payable	$ 121,673	$ -	$ -	$ 121,673	$ 121,673
Compensated absences	46,684	38,582	33,850	51,416	51,416
Total Component Units	$ 168,357	$ 38,582	$ 33,850	$ 173,089	$ 173,089

All long-term obligations of the County's governmental funds will be financed through future general fund expendable available financial sources as they become due. Principal and interest payments related to the County's water enterprise fund are financed from income derived from the operation of the water system.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The employees' salaries are paid through the general fund except the enterprise funds. The governmental activities capital lease obligations will be paid from the general fund and the business-type activities capital lease will be paid from the solid waste fund. The landfill post-closure care costs will be paid from the general fund.

(Continued on the next page)

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pension

The County has a defined contribution retirement plan whereby all full-time county employees meeting eligibility requirements are eligible to participate in the plan. The plan, administered by the GEB Corp., is open to all full-time employees with more than six months of service, exclusive of elected officials who are eligible for state provided retirement benefits. The county contributes 3.0% of their salary to a 401A plan annually. Employees are 100% vested in the county contribution after three years of service. Employees do not contribute to the 401A Plan. In conjunction with resolution establishing the 401A plan, the County adopted a 457 Deferred Compensation Plan. Under this plan, employees are eligible to receive up to an additional 2% contribution to the 401A if they participate in the 457 Deferred Compensation Plan. The current year covered payroll was approximately $ 3,570,974 and the total current payroll is $ 4,414,465. The County's required and actual contribution for fiscal year ended June 30, 2013, for 401A was $ 152,320 which was 4.2% of covered payroll.

3-J. Net Investment in Capital Assets

Net investment of capital assets on the government-wide statement of net position as of June 30, 2013, is as follows:

	Governmental Activities	Business Type Activities	Component Units
Cost of capital assets	$ 20,140,633	$ 8,501,953	$ 8,484,432
Less accumulated depreciation	(6,773,421)	(4,993,099)	(1,267,497)
Book value	13,367,212	3,508,854	7,216,935
Less capital related debt	(240,963)	(892,757)	(121,673)
Net Investment in Capital Assets	$ 13,126,249	$ 2,616,097	$ 7,095,262

3-K. Fund Equity

Fund Balances:

Nonspendable – The following fund balances are nonspendable because they are allocated to:

General Fund:	
Inventory	$ 26,456
Prepaid items	64,586
	$ 91,042

(Continued on the next page)

Note 3 - Detailed Notes on All Funds (Continued)

Restricted – The following fund balances are restricted for:

Special Revenue Funds:	
Federal Sharing Fund – used to account for drug related expenditures earned in conjunction with federal authorities	$ 13,049
E-911 Fund – used to account for operations of the E-911 center	27,287
Jail Fund – used to account for operations of the County jail	11,838
Condemned Funds Fund – used to account for drug related Expenditures	10,170
Drug Abuse T&E Fund – used to account for surcharges on drug related fines to be spent on drug abuse treatment and education expenditures	104,232
Law Library Fund – used to account for operations of the County law library	69,675
TSPLOST Discretionary Fund – used to account for Discretionary expenditures of transportation projects	446,802
	$ 683,053
Capital Projects Funds:	
SPLOST #2 – to account for capital projects financed with this SPLOST	$ 38,478
SPLOST #3 – to account for capital projects financed with this SPLOST	993,852
	$ 1,032,330

Assigned – The following fund balances are assigned to certain functions:

General Fund:	
Public safety	$ 70,946

Note 4 - Other Notes

4-A. Risk Management

The County is exposed to potential risk of loss in the areas of: theft, damage or destruction of County assets; errors and omission; natural disasters; and injuries to employees. Significant losses in these areas are covered by commercial insurance with the exception of workers' compensation. There have been no significant reductions in the amount of insurance coverage in the past year in any major category of risk. There have been no insurance settlements that exceeded coverage during the past three years.

Insurance Risk - The County has its property and liability insurance with the ACCG-Inter-local Risk Management Agency, a self-insurance pool and a risk financing mechanism, whereby the members join together to provide a source of coverage for their property, automobiles, general liability, law enforcement liability, public officials liability, crime, and boiler and machinery exposures. The Fund is owned by its members and is managed by a seven-member board of trustees who are representatives from participating counties. The Fund is operated under the authority of OCGA 36-85-20 et seq. The ACCG-IRMA estimates the anticipated losses for its members and self-funds a portion of that exposure. The funds which are allocated for the anticipated losses are deposited and invested until such time that they are needed to pay claims. The ACCG-IRMA purchases appropriate reinsurance coverage to provide for catastrophic losses or for an unanticipated increase in frequency of smaller claims.

NOTE 4 – Other Notes (Continued)

4-A. Risk Management (Continued)

The County is a member of the Association County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a risk sharing public entity risk pool currently operating as a common risk management and insurance program for member local governments. This fund was created to provide its members with an alternative method in which to finance their workers' compensation coverage. The County pays an annual premium to the fund for its workers' compensation coverage. The fund purchases excess insurance to protect the fund from catastrophic losses and for any unexpected increase in frequency of smaller claims.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, 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 pool's 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 funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are 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.

4-B. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County was a defendant in several lawsuits at June 30, 2013. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

The County and the City of Wrens, Georgia, jointly purchased land for the purpose of opening and operating a public landfill. The City of Wrens was in charge of operating the landfill and the County had use of the facility for disposing waste. This landfill was closed in 1997. The City of Wrens has agreed to be responsible for all post-closure care costs. Because of its past association with this facility, there is potential for the County to have some liability for these post-closure costs.

4-C. Commitments

The County has an agreement with the Hospital Authority of Jefferson County and the City of Louisville to supplement the Hospital Authority's revenues, if necessary, for the redemption of debt associated with the purchase of Jefferson Hospital. Payments made to the Hospital Authority totaled $150,000 for the year ended June 30, 2013. This payment is made to the Hospital Authority in lieu of payments to the Hospital Authority for medical care of the County's indigent residents.

(Continued on the next page)

Note 4 - Other Notes (Continued)

4-D. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the fourteen county east central Georgia area, is a member of the Central Savannah River Area Regional Commission (RC) and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements of the CSRA RC may be obtained from:

Central Savannah River Area Regional Commission
3023 Riverwatch Parkway, Suite A
Augusta, Georgia 30907

Jefferson County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes	$ 7,707,645	$ 7,707,645	$ 7,655,796	$ (51,849)
Licenses and permits	31,775	31,775	29,995	(1,780)
Intergovernmental	269,104	271,489	307,052	35,563
Charges for services	2,182,000	2,189,021	2,205,359	16,338
Fines, forfeitures and fees	527,695	527,695	517,311	(10,384)
Investment earnings	400	400	820	420
Miscellaneous	213,967	235,553	185,238	(50,315)
Total Revenues	10,932,586	10,963,578	10,901,571	(62,007)
Expenditures				
Current:				
General government	1,767,080	1,724,660	1,407,840	316,820
Judicial	983,408	991,976	951,127	40,849
Public safety	3,520,673	3,698,118	3,587,244	110,874
Public works	3,063,174	2,952,376	2,575,911	376,465
Health and welfare	728,386	717,583	684,362	33,221
Culture and recreation	370,740	372,315	356,975	15,340
Conservation of natural resources	80,893	82,168	80,881	1,287
Debt Service:				
Principal retirement	559	6,181	6,181	-
Interest and fiscal charges	-	528	523	5
Landfill closure/monitoring	53,038	53,038	37,016	16,022
Total Expenditures	10,567,951	10,598,943	9,688,060	910,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	364,635	364,635	1,213,511	848,876
Other Financing Sources (Uses)				
Transfers in	44,000	44,000	115,500	71,500
Transfers out	(408,635)	(408,635)	(352,976)	55,659
Total Other Financing Sources (Uses)	(364,635)	(364,635)	(237,476)	127,159
Net Change in Fund Balances	$ -	$ -	976,035	$ 976,035
Fund Balances, Beginning of Year			1,400,680	
Fund Balances, End of Year			$ 2,376,715	

Note 1 - Budgetary Information

The budget for the general fund is adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments.

Jefferson County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 2,446,884	$ 1,070,610
Prepaid items	64,586	68,207
Receivables:		
Property taxes	572,856	404,209
Intergovernmental	186,822	273,206
Interfund	98,698	162,738
Other	25,984	-
Inventory	26,456	26,456
Total Assets	$ 3,422,286	$ 2,005,426
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 54,383	$ 178,720
Accrued expenses	78,089	66,622
Other liabilities	405,343	5,516
Interfund payables	5,999	-
Deferred revenue	501,757	353,888
Total Liabilities	1,045,571	604,746
Fund Balances		
Nonspendable		
Inventory	26,456	26,456
Prepaid items	64,586	68,207
Assigned		
Public safety	70,946	-
Unassigned	2,214,727	1,306,017
Total Fund Balances	2,376,715	1,400,680
Total Liabilities and Fund Balances	$ 3,422,286	$ 2,005,426

Jefferson County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2012 Actual
REVENUES					
Taxes					
General property tax	$ 5,303,298	$ 5,303,298	$ 5,172,568	$ (130,730)	$ 4,572,475
Vehicle property tax	489,830	489,830	532,105	42,275	447,930
Mobile home property tax	90,345	90,345	79,052	(11,293)	89,783
Railroad equipment tax	23,615	23,615	-	(23,615)	25,246
Timber tax	53,858	53,858	55,354	1,496	47,966
Transfer & recording intangible taxes	25,000	25,000	44,427	19,427	24,660
Insurance premium tax	385,599	385,599	411,942	26,343	385,600
Local option sales tax	1,147,500	1,147,500	1,173,595	26,095	1,158,613
Bank licenses and taxes	48,000	48,000	48,558	558	53,675
Franchise taxes	15,000	15,000	13,878	(1,122)	14,233
Alcoholic beverage licenses/taxes	30,600	30,600	32,997	2,397	31,822
Penalties & interest/costs	95,000	95,000	91,320	(3,680)	92,432
Total Taxes	7,707,645	7,707,645	7,655,796	(51,849)	6,944,435
Licenses and Permits	31,775	31,775	29,995	(1,780)	32,787
Intergovernmental					
Federal grant funds	8,429	8,429	79,375	70,946	61,820
Federal P.I.L.O.T.	-	-	-	-	1,675
Rec. dept. supplement - Louisville	4,575	4,575	6,100	1,525	6,100
Nutrition Program	26,500	37,000	33,794	(3,206)	24,054
DOT transit program revenues	224,600	216,485	185,720	(30,765)	226,176
State grant funds	5,000	5,000	2,063	(2,937)	4,274
Total Intergovernmental	269,104	271,489	307,052	35,563	324,099
Charges for Services					
Commissions on tax collections	193,600	200,621	211,853	11,232	194,578
Correction Inst.-inmate cost rebate	1,391,400	1,391,400	1,359,976	(31,424)	1,412,170
Jail subsidies	508,200	508,200	554,271	46,071	604,538
Department of Corrections:					
Correctional officer contract	58,000	58,000	46,096	(11,904)	53,509
Judicial surcharges	-	-	5,225	5,225	2,850
Recreation fees and sponsorships	30,800	30,800	27,938	(2,862)	31,988
Total Charges for Services	2,182,000	2,189,021	2,205,359	16,338	2,299,633

Continued

Jefferson County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

Continued

	2013				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2012 Actual
REVENUES					
Fines, Forfeitures and Fees					
State and superior courts	$ 249,100	$ 249,100	$ 379,084	$ 129,984	$ 239,460
Sheriff's fees	145,320	145,320	28,205	(117,115)	129,178
Magistrate court	109,900	109,900	80,765	(29,135)	97,523
Probate court	23,375	23,375	29,257	5,882	37,867
Total Fines, Forfeitures and Fees	527,695	527,695	517,311	(10,384)	504,028
Investment Earnings	400	400	820	420	500
Miscellaneous					
Nutrition program revenues	4,000	4,000	2,016	(1,984)	3,722
Shop revenue	20,000	20,000	13,262	(6,738)	17,723
Sale of surplus property	15,000	15,000	22,482	7,482	24,869
Other	174,967	196,553	147,478	(49,075)	141,396
Total Miscellaneous	213,967	235,553	185,238	(50,315)	187,710
TOTAL REVENUES	$ 10,932,586	$ 10,963,578	$ 10,901,571	$ (62,007)	$ 10,293,192

Jefferson County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2012 Actual
EXPENDITURES					
General Government					
Board of commissioners	$ 105,659	$ 109,769	$ 107,760	$ 2,009	$ 105,084
Administration and accounting	498,390	499,388	458,297	41,091	471,219
Tax commissioner	227,544	247,965	237,190	10,775	241,963
Tax assessor	425,014	392,789	319,804	72,985	371,436
County buildings	138,563	138,563	134,086	4,477	142,381
CDBG project	8,500	8,758	8,535	223	5,601
Elections and registrar	148,410	148,410	142,168	6,242	102,227
Community service	-	-	-	-	14,342
Contingency	215,000	179,018	-	179,018	-
Total General Government	1,767,080	1,724,660	1,407,840	316,820	1,454,253
Judicial					
State and superior courts	669,680	671,698	631,308	40,390	650,479
Magistrate court	208,378	214,928	214,311	617	204,144
Probate court	105,350	105,350	105,508	(158)	102,970
Total Judicial	983,408	991,976	951,127	40,849	957,593
Public Safety					
Sheriff	1,257,047	1,275,922	1,279,905	(3,983)	1,309,361
County jail	1,374,848	1,518,172	1,441,375	76,797	1,348,830
Civil division	141,591	141,591	132,604	8,987	145,519
Ambulance services	488,394	488,394	488,281	113	474,250
County fire departments	40,329	43,809	40,085	3,724	45,488
Fire - intergovernmental	70,500	78,516	70,500	8,016	78,516
Emergency management	57,654	58,454	55,547	2,907	33,343
Code enforcement	55,607	55,607	37,950	17,657	31,549
Animal control	500	1,100	715	385	525
Coroner	34,203	36,553	40,282	(3,729)	36,306
Total Public Safety	3,520,673	3,698,118	3,587,244	110,874	3,503,687
Public Works					
Correction institute	1,913,412	1,748,870	1,613,865	135,005	1,878,452
Roads department	905,589	928,608	733,517	195,091	886,430
Shop	179,388	179,388	166,865	12,523	159,399
Building inspection	64,785	95,510	61,664	33,846	55,200
Total Public Works	3,063,174	2,952,376	2,575,911	376,465	2,979,481

Continued

Jefferson County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

Continued

	2013				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2012 Actual
EXPENDITURES					
Health and Welfare					
Hospital authority	$ 150,000	$ 150,000	$ 150,000	$ -	$ 150,000
Health department	153,694	153,694	153,395	299	153,286
Transportation program	307,123	307,123	287,387	19,736	310,774
Nutrition program	110,569	101,341	91,693	9,648	109,359
Family connection	5,000	3,425	76	3,349	7,073
Other programs	2,000	2,000	1,811	189	2,286
Total Health and Welfare	728,386	717,583	684,362	33,221	732,778
Culture and Recreation					
Recreation department	188,095	189,670	174,334	15,336	198,597
Recreation - intergovernmental	25,004	25,004	25,000	4	25,000
Library	157,641	157,641	157,641	-	157,641
Total Culture and Recreation	370,740	372,315	356,975	15,340	381,238
Conservation of Natural Resources					
Agriculture resources	57,017	58,292	57,005	1,287	53,116
Forestry resources	23,876	23,876	23,876	-	23,876
Total Conservation of Natural Resources	80,893	82,168	80,881	1,287	76,992
Debt Service					
Principal	559	6,181	6,181	-	44,278
Interest	-	528	523	5	2,739
Landfill post-closure/monitoring	53,038	53,038	37,016	16,022	63,896
Total Debt Service	53,597	59,747	43,720	16,027	110,913
TOTAL EXPENDITURES	$ 10,567,951	$ 10,598,943	$ 9,688,060	$ 910,883	$ 10,196,935

Jefferson County, Georgia
Grant Funds Fund
Balance Sheet
June 30, 2013

Assets	
Cash and cash equivalents	$ -
Interfund receivable	-
Intergovernmental receivable	3,000
Total Assets	$ 3,000
Liabilities and Fund Balances	
Liabilities	
Interfund payable	$ -
Other liabilities	3,000
Total Liabilities	3,000
Fund Balances	
Restricted for capital projects	-
Total Fund Balances	-
Total Liabilities and Fund Balances	$ 3,000

Jefferson County, Georgia
Grant Funds Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2013

Revenues	
Intergovernmental revenue:	
Federal Grant - CDBG EIP	$ 500,000
Total Revenues	500,000
Expenditures	
Intergovernmental	
Economic development	500,000
Total Expenditures	500,000
Net Change in Fund Balances	-
Fund Balances, Beginning of Year	-
Fund Balances, End of Year	$ -

Jefferson County, Georgia
SPLOST #3 Capital Projects Fund
Comparative Balance Sheet
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 1,022,020	$ 588,278
Intergovernmental receivable	146,120	196,134
Total Assets	$ 1,168,140	$ 784,412
Liabilities and Fund Balances		
Liabilities		
Other liabilities	$ 174,288	$ 228,079
Total Liabilities	174,288	228,079
Fund Balances		
Restricted for capital projects	993,852	556,333
Total Fund Balances	993,852	556,333
Total Liabilities and Fund Balances	$ 1,168,140	$ 784,412

Jefferson County, Georgia
SPLOST#3 Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2013 and 2012

	2013	2012
Revenues		
Sales taxes	$ 2,154,711	$ 2,146,771
Dept. of Transportation - road contracts	-	99,919
Total Revenues	2,154,711	2,246,690
Expenditures		
Intergovernmental	1,282,439	1,277,586
Capital outlay	382,312	924,928
Debt service:		
Principal	48,390	98,008
Interest	4,051	9,729
Total Expenditures	1,717,192	2,310,251
(Deficiency) of Revenues (Under) Expenditures	437,519	(63,561)
Other Financing Sources		
Inception of capital lease obligations	-	348,640
Net Change in Fund Balances	437,519	285,079
Fund Balances, Beginning of Year	556,333	271,254
Fund Balances, End of Year	$ 993,852	$ 556,333

Jefferson County, Georgia
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2013

	SPLOST #2 Capital Projects	Federal Sharing	E-911	Jail Improvement	Condemned Funds	Drug Abuse T & E	Law Library	CDBG 12 Grant Fund	TSPLOST Discretionary Fund	Total
Assets										
Cash and cash equivalents	$ 38,478	$ 13,049	$ 59,335	$ 9,438	$ 10,170	$ 103,085	$ 69,675	$ 684	$ 367,974	$ 671,888
Intergovernmental receivables	-	-	-	-	-	-	-	-	78,928	78,928
Interfund receivables	-	-	-	-	-	-	-	5,999	-	5,999
Other receivables	-	-	41,214	2,400	-	1,390	-	-	-	45,004
Total Assets	$ 38,478	$ 13,049	$ 100,549	$ 11,838	$ 10,170	$ 104,475	$ 69,675	$ 6,683	$ 446,902	$ 801,819
Liabilities										
Accounts payable	$ -	$ -	$ 14,906	$ -	$ -	$ 243	$ -	$ -	$ 100	$ 15,249
Accrued expenses	-	-	5,826	-	-	-	-	-	-	5,826
Other liabilities	-	-	-	-	-	-	-	6,683	-	6,683
Interfund payables	-	-	52,530	-	-	-	-	-	-	52,530
Total Liabilities	-	-	73,262	-	-	243	-	6,683	100	80,288
Fund Balances										
Restricted for program purposes	38,478	13,049	27,287	11,838	10,170	104,232	69,675	-	446,802	721,531
Total Liabilities and Fund Balances	$ 38,478	$ 13,049	$ 100,549	$ 11,838	$ 10,170	$ 104,475	$ 69,675	$ 6,683	$ 446,902	$ 801,819

Jefferson County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

For theYear Ended June 30, 2013

	SPLOST #2 Capital Projects	Federal Sharing	E -911	Jail Improvement	Condemned Funds	Drug Abuse T & E	Law Library	CDBG 12 Capital Projects	TSPLOST Discretionary Fund	Total
Revenues										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 465,277	$ 465,277
Intergovernmental	-	-	-	-	-	-	-	15,273	-	15,273
Charges for services	-	-	244,011	-	-	-	-	-	-	244,011
Fines and forfeitures	-	-	-	36,419	7,650	4,747	17,117	-	-	65,933
Investment earnings	21	16	69	35	9	50	-	-	-	200
Total Revenues	21	16	244,080	36,454	7,659	4,797	17,117	15,273	465,277	790,694
Expenditures										
Current:										
Judicial	-	-	-	-	-	-	5,641	-	-	5,641
Public safety	-	5,000	472,682	-	7,775	674	-	-	-	486,131
Public works	-	-	-	-	-	-	-	-	18,475	18,475
Housing and development	-	-	-	-	-	-	-	15,273	-	15,273
Capital Outlay	10,928	-	12,059	-	-	-	-	-	-	22,987
Debt Service:										
Principal retirement	-	-	94,194	-	-	-	-	-	-	94,194
Interest and fiscal charges	-	-	8,558	-	-	-	-	-	-	8,558
Total Expenditures	10,928	5,000	587,493	-	7,775	674	5,641	15,273	18,475	651,259
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,907)	(4,984)	(343,413)	36,454	(116)	4,123	11,476	-	446,802	139,435
Other Financing (Uses)										
Transfers in (out), net	-	-	352,976	(44,000)	-	-	-	-	-	308,976
Net Change in Fund Balances	(10,907)	(4,984)	9,563	(7,546)	(116)	4,123	11,476	-	446,802	448,411
Fund Balances, Beginning of Year	49,385	18,033	17,724	19,384	10,286	100,109	58,199	-	-	273,120
Fund Balances, End of Year	$ 38,478	$ 13,049	$ 27,287	$ 11,838	$ 10,170	$ 104,232	$ 69,675	$ -	$ 446,802	$ 721,531

Jefferson County, Georgia
SPLOST #2 Capital Projects Fund
Comparative Balance Sheet
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 38,478	$ 1,291
Intergovernmental receivable	-	63,094
Total Assets	$ 38,478	$ 64,385
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ -	$ 15,000
Total Liabilities	-	15,000
Fund Balances		
Restricted for capital projects	38,478	49,385
Total Fund Balances	38,478	49,385
Total Liabilities and Fund Balances	$ 38,478	$ 64,385

Jefferson County, Georgia
SPLOST #2 Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2013 and 2012

	2013	2012
Revenues		
Sales taxes	$ -	$ -
Grant - Georgia Department of Natural Resources	-	63,094
Investment earnings	21	90
Total Revenues	21	63,184
Expenditures		
Capital outlay		
Culture and recreation	10,928	215,107
Total Expenditures	10,928	215,107
Net Change in Fund Balances	(10,907)	(151,923)
Fund Balances, Beginning of Year	49,385	201,308
Fund Balances, End of Year	$ 38,478	$ 49,385

Jefferson County, Georgia
Federal Sharing Fund
Comparative Balance Sheet
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 13,049	$ 18,033
Fund Balances		
Restricted for program purposes	$ 13,049	$ 18,033

Jefferson County, Georgia
Federal Sharing Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines and forfeitures	$ 5,000	$ 5,000	$ -	$ (5,000)	$ -
Investment earnings	-	-	16	16	16
Total Revenues	5,000	5,000	16	(4,984)	16
Expenditures					
Current:					
Public safety	25,000	25,000	5,000	20,000	1,000
Net Change in Fund Balances	$ (20,000)	$ (20,000)	(4,984)	$ 15,016	(984)
Fund Balances, Beginning of Year			18,033		19,017
Fund Balances, End of Year			$ 13,049		$ 18,033

Jefferson County, Georgia
E-911 Fund
Comparative Balance Sheet
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 59,335	$ 4,233
Accounts receivable	41,214	41,931
Total Assets	$ 100,549	$ 46,164
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 14,906	$ 18,348
Accrued expenses	5,826	4,828
Interfund payables	52,530	5,264
Total Liabilities	73,262	28,440
Fund Balances		
Restricted for program purposes	27,287	17,724
Total Liabilities and Fund Balances	$ 100,549	$ 46,164

Jefferson County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental revenue:					
Federal grant - Dept. of Justice	$ -	$ -	$ -	$ -	$ 100,000
Charges for services	238,000	238,000	244,011	6,011	239,254
Investment earnings	90	90	69	(21)	88
Miscellaneous	-	-	-	-	11,254
Total Revenues	238,090	238,090	244,080	5,990	350,596
Expenditures					
Current:					
Public safety	510,867	510,867	472,682	38,185	549,260
Capital Outlay	10,000	10,000	12,059	(2,059)	353,922
Debt Service:					
Principal retirement	117,572	117,572	94,194	23,378	6,745
Interest and fiscal charges	8,286	8,286	8,558	(272)	3,033
Total Expenditures	646,725	646,725	587,493	59,232	912,960
Excess (Deficiency) of Revenues Over (Under) Expenditures	(408,635)	(408,635)	(343,413)	65,222	(562,364)
Other Financing Sources (Uses)					
Transfers in	408,635	408,635	352,976	(55,659)	420,113
Inception of capital lease obligation	-	-	-	-	132,068
Net Change in Fund Balances	$ -	$ -	9,563	$ 9,563	(10,183)
Fund Balances, Beginning of Year			17,724		27,907
Fund Balances, End of Year			$ 27,287		$ 17,724

Jefferson County, Georgia
Jail Improvement Fund
Comparative Balance Sheet
June 30, 2013 and 2012

	2012	2012
Assets		
Cash and cash equivalents	$ 9,438	$ 19,222
Accounts receivable	2,400	162
Total Assets	$ 11,838	$ 19,384
Fund Balances		
Restricted for program purposes	$ 11,838	$ 19,384

Jefferson County, Georgia
Jail Improvement Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines and forfeitures	$ 43,925	$ 43,925	$ 36,419	$ (7,506)	$ 34,376
Investment earnings	75	75	35	(40)	145
Total Revenues	44,000	44,000	36,454	(7,546)	34,521
Expenditures					
Current:					
Public safety	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,000	44,000	36,454	(7,546)	34,521
Other Financing Sources (Uses)					
Transfers out	(44,000)	(44,000)	(44,000)	-	(44,000)
Net Change in Fund Balances	$ -	$ -	(7,546)	$ (7,546)	(9,479)
Fund Balances, Beginning of Year			19,384		28,863
Fund Balances, End of Year			$ 11,838		$ 19,384

Jefferson County, Georgia
Condemned Funds Fund
Comparative Balance Sheet
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 10,170	$ 10,286
Fund Balances		
Restricted for program purposes	$ 10,170	$ 10,286

Jefferson County, Georgia
Condemned Funds Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines and forfeitures	$ 12,000	$ 12,000	$ 7,650	$ (4,350)	$ 3,616
Investment earnings	-	-	9	9	12
Total Revenues	12,000	12,000	7,659	(4,341)	3,628
Expenditures					
Current:					
Public safety	12,000	12,000	7,775	4,225	10,652
Net Change in Fund Balances	$ -	$ -	(116)	$ (116)	(7,024)
Fund Balances, Beginning of Year			10,286		17,310
Fund Balances, End of Year			$ 10,170		$ 10,286

Jefferson County, Georgia
Drug Abuse T&E Fund
Comparative Balance Sheet
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 103,085	$ 100,109
Accounts receivable	1,390	-
Total Assets	$ 104,475	$ 100,109
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 243	$ -
Total Liabilities	243	-
Fund Balances		
Restricted for program purposes	104,232	100,109
Total Liabilities and Fund Balances	$ 104,475	$ 100,109

Jefferson County, Georgia
Drug Abuse T&E Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines and forfeitures	$ 2,500	$ 2,500	$ 4,747	$ 2,247	$ 2,998
Investment earnings	40	40	50	10	50
Total Revenues	2,540	2,540	4,797	2,257	3,048
Expenditures					
Current:					
Public safety	2,540	2,540	674	1,866	1,544
Net Change in Fund Balances	$ -	$ -	4,123	$ 4,123	1,504
Fund Balances, Beginning of Year			100,109		98,605
Fund Balances, End of Year			$ 104,232		$ 100,109

Jefferson County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 69,675	$ 58,199
Fund Balances		
Restricted for program purposes	$ 69,675	$ 58,199

Jefferson County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines and forfeitures	$ 15,000	$ 15,000	$ 17,117	$ 2,117	$ 14,452
Expenditures					
Current:					
Judicial	20,000	20,000	5,641	14,359	8,800
Net Change in Fund Balances	$ (5,000)	$ (5,000)	11,476	$ 16,476	5,652
Fund Balances, Beginning of Year			58,199		52,547
Fund Balances, End of Year			$ 69,675		$ 58,199

Jefferson County, Georgia
CDBG 2012 Grant Fund
Balance Sheet
June 30, 2013

Assets		
Cash and cash equivalents	$	684
Interfund receivables		5,999
Total Assets	$	6,683
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	-
Other liabilities		6,683
Total Liabilities		6,683
Fund Balances		
Restricted for program purposes		-
Total Fund Balances		-
Total Liabilities and Fund Balances	$	6,683

Jefferson County, Georgia
CDBG 2012 Grant Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2013

	2013
Revenues	
Intergovernmental revenue	$ 15,273
Expenditures	
Current	
Housing and development	15,273
Net Change in Fund Balances	-
Fund Balances, Beginning of Year	-
Fund Balances, End of Year	$ -

Jefferson County, Georgia
TSPLOST Discretionary Fund
Balance Sheet
June 30, 2013

		2013
Assets		
Cash and cash equivalents	$	367,974
Intergovernmental receivable		78,928
Total Assets	$	446,902
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	100
Total Liabilities		100
Fund Balances		
Restricted for program purposes		446,802
Total Liabilities and Fund Balances	$	446,902

Jefferson County, Georgia
TSPLOST Discretionary Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013

	2013			
	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes - TSPLOST	$ 500,000	$ 500,000	$ 465,277	$ (34,723)
Total Revenues	500,000	500,000	465,277	(34,723)
Expenditures				
Current:				
Public works	500,000	500,000	18,475	481,525
Net Change in Fund Balances	$ -	$ -	446,802	$ 446,802
Fund Balances, Beginning of Year			-	
Fund Balances, End of Year			$ 446,802	

Jefferson County, Georgia
Water and Sewer Fund
Comparative Statement of Net Position
June 30, 2013 and 2012

	2013	2012
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 148,043	$ 166,621
Receivables:		
Accounts	23,974	23,413
Total Current Assets	172,017	190,034
Noncurrent Assets:		
Deferred Charges	2,358	2,652
Capital Assets:		
Depreciable, net	930,845	927,035
Total Noncurrent Assets	933,203	929,687
TOTAL ASSETS	1,105,220	1,119,721
LIABILITIES		
Current Liabilities:		
Accounts payable	11,163	9,018
Other liabilities	-	2,199
Compensated absences	3,626	3,784
Customer deposits	22,963	22,911
Revenue bonds payable	14,000	13,000
Total Current Liabilities	51,752	50,912
Long-Term Liabilities:		
Revenue bonds payable (net of current portion)	137,000	151,000
TOTAL LIBILITIES	188,752	201,912
Net Position		
Net investment in capital assets	779,845	763,035
Unrestricted	136,623	154,774
TOTAL NET POSITION	$ 916,468	$ 917,809

Jefferson County, Georgia
Water and Sewer Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2013 and 2012

	2013	2012
Operating Revenues		
Charges for services	$ 275,162	$ 285,513
Miscellaneous	14,070	13,786
Total Operating Revenues	289,232	299,299
Operating Expenses		
Cost of water	90,619	103,087
Salaries	68,731	68,419
Employee benefits	26,663	26,654
Repairs	5,837	12,500
Utilities	6,645	6,964
Other	31,030	33,627
Depreciation	52,648	54,161
Amortization	294	295
Total Operating Expenses	282,467	305,707
Operating Income (Loss)	6,765	(6,408)
Non-Operating Revenues (Expenses)		
Interest and fiscal charges	(8,200)	(8,802)
Investment earnings	94	82
Total Non-Operating Revenues (Expenses)	(8,106)	(8,720)
Change in Net Position	(1,341)	(15,128)
Net Position, Beginning of Year	917,809	932,937
Net Position, End of Year	$ 916,468	$ 917,809

Jefferson County, Georgia
Solid Waste Fund
Comparative Statement of Net Position
June 30, 2013 and 2012

	2013	2012
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 237,786	$ 27,385
Accounts receivable	108,898	80,875
Total Current Assets	346,684	108,260
Noncurrent Assets:		
Restricted Assets:		
Cash and cash equivalents	320,597	290,953
Capital Assets:		
Nondepreciable, net	349,788	349,788
Depreciable, net	2,228,221	1,794,470
Total Noncurrent Assets	2,898,606	2,435,211
TOTAL ASSETS	3,245,290	2,543,471
LIABILITIES		
Current Liabilities:		
Accounts payable	7,467	31,874
Compensated absences	4,476	7,094
Interfund payable	46,168	142,474
Capital leases payable	100,927	-
Total Current Liabilities	159,038	181,442
Long-Term Liabilities:		
Capital leases payable (net of current portion)	640,830	-
Landfill closure/post-closure care costs	571,735	533,079
Total Long-Term Liabilities	1,212,565	533,079
TOTAL LIABILITIES	1,371,603	714,521
Net Position		
Net investment in capital assets	1,836,252	2,144,258
Restricted for landfill purposes	320,597	290,953
Unrestricted (deficit)	(283,162)	(606,261)
Total Net Position	$ 1,873,687	$ 1,828,950

Jefferson County, Georgia
Solid Waste Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2013 and 2012

	2013	2012
Operating Revenues		
Charges for services	$ 338,877	$ 263,172
Solid waste maintenance fees	411,133	429,249
Total Operating Revenues	750,010	692,421
Operating Expenses		
Salaries	71,830	90,613
Employee benefits	24,558	32,187
Repairs	35,573	50,708
Supplies	33,811	41,025
Utilities	6,682	7,715
Other	161,397	209,174
Depreciation	270,393	411,713
Landfill closure/post-closure care costs	38,656	9,550
Total Operating Expenses	642,900	852,685
Operating Income (Loss)	107,110	(160,264)
Non-Operating Revenues (Expenses)		
Interest expense and fiscal charges	(3,194)	-
Gain on sale of assets	6,600	
Investment earnings	5,721	5,382
Total Non-Operating Revenues (Expenses)	9,127	5,382
Income (Loss) Before Transfers	116,237	(154,882)
Transfers in (out)	(71,500)	-
Change in Net Position	44,737	(154,882)
Net Position, Beginning of Year	1,828,950	1,983,832
Net Position, End of Year	$ 1,873,687	$ 1,828,950

Jefferson County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2013

Clerk of Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 270,974	$ 762,840	$ 643,782	$ 80,755	$ 309,277
Liabilities					
Interfund payable	$ -	$ 436,558	$ 355,803	$ 80,755	$ -
Due to others	270,974	326,282	287,979	-	309,277
Total Liabilities	$ 270,974	$ 762,840	$ 643,782	$ 80,755	$ 309,277

Probate Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 1,657	$ 44,219	$ 41,868	$ 2,488	$ 1,520
Liabilities					
Interfund payable	$ -	$ 31,856	$ 29,368	$ 2,488	$ -
Due to others	1,657	12,363	12,500	-	1,520
Total Liabilities	$ 1,657	$ 44,219	$ 41,868	$ 2,488	$ 1,520

Sheriff	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 281,104	$ 1,054,283	$ 1,189,666	$ -	$ 145,721
Liabilities					
Interfund payable	$ -	$ 644,440	$ 644,440	$ -	$ -
Due to others	281,104	409,843	545,226	-	145,721
Total Liabilities	$ 281,104	$ 1,054,283	$ 1,189,666	$ -	$ 145,721

Continued

Jefferson County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2013

Continued

Tax Commissioner	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 205,068	$ 14,173,453	$ 13,979,513	$ 123,701	$ 275,307
Liabilities					
Interfund payable	$ -	$ 6,227,024	$ 6,103,323	$ 123,701	$ -
Due to others	205,068	7,946,429	7,876,190	-	275,307
Total Liabilities	$ 205,068	$ 14,173,453	$ 13,979,513	$ 123,701	$ 275,307

Magistrate Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 26,467	$ 327,362	$ 331,246	$ 4,996	$ 17,587
Liabilities					
Interfund payable	$ -	$ 46,448	$ 41,452	$ 4,996	$ -
Due to others	26,467	280,914	289,794	-	17,587
Total Liabilities	$ 26,467	$ 327,362	$ 331,246	$ 4,996	$ 17,587

JCCI Accounts	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 159,906	$ 144,008	$ 132,591	$ -	$ 171,323
Liabilities					
Due to others	$ 159,906	$ 144,008	$ 132,591	$ -	$ 171,323

Continued

Jefferson County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2013

Continued

Total	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 945,176	$ 16,506,165	$ 16,318,666	$ 211,940	$ 920,735
Liabilities					
Interfund payable	$ -	$ 7,386,326	$ 7,174,386	$ 211,940	$ -
Due to others	945,176	9,119,839	9,144,280	-	920,735
Total Liabilities	$ 945,176	$ 16,506,165	$ 16,318,666	$ 211,940	$ 920,735

Jefferson County, Georgia
SECTION 5311 TRANSPORTATION PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2013

Contract Number T004282
Grant Number GA-18-4032

REVENUES		
Reimbursements received from GA Department of Transportation	$	92,593
Participant contributions		49,134
Other program income		43,993
TOTAL		185,720
EXPENDITURES		
Salaries and Fringe Benefits		
Administrative		34,380
Operating		183,596
Operating Expenditures		
Fuel and operational supplies		42,185
Vehicle maintenance		4,261
General insurance		9,883
Computer software		312
Telephone		2,839
Office supplies		1,000
Audit		1,500
Rental expense		1,479
Other operating expenses		5,952
TOTAL		287,387
Revenues in Excess of (less than) Expenditures	$	(101,667)

Jefferson County, Georgia
Schedule of Projects Funded
with Special Sales Tax Proceeds
For the Year Ended June 30, 2013

Special Sales Tax Imposed January 1, 2006	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percent Completed
Projects:						
FIRE DEPARTMENT						
Debt Service						
Principal	$ 3,009,178	$ 2,728,000	$ 2,871,350	$ -	$ 2,871,350	105.3%
Interest	58,076	137,606	123,736	-	123,736	89.9%
Intergovernmental						
City of Wadley	-	31,648	31,648	-	31,648	100.0%
City of Wrens	-	170,000	170,007	-	170,007	100.0%
	3,067,254	3,067,254	3,196,741	-	3,196,741	
RECREATION						
Capital						
Buildings and improvements	1,435,000	1,310,000	1,279,909	10,928	1,290,837	98.5%
Intergovernmental						
City of Louisville	-	125,000	125,000	-	125,000	100.0%
City of Avera	75,000	75,000	76,045	-	76,045	101.4%
City of Bartow	183,000	183,000	184,048	-	184,048	100.6%
City of Stapleton	207,000	207,000	208,186	-	208,186	100.6%
City of Wadley	443,000	443,000	445,340	-	445,340	100.5%
City of Wrens	1,690,000	1,690,000	1,699,688	-	1,699,688	100.6%
	4,033,000	4,033,000	4,018,216	10,928	4,029,144	
ECONOMIC DEVELOPMENT						
Intergovernmental						
Jefferson County Development Authority	3,399,746	3,399,746	3,399,746	-	3,399,746	100.0%
TOTAL	$ 10,500,000	$ 10,500,000	$ 10,614,703	$ 10,928	$ 10,625,631	

Jefferson County, Georgia
Schedule of Projects Funded
with Special Sales Tax Proceeds
For the Year Ended June 30, 2013

Special Sales Tax Imposed January 1, 2011	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percent Completed
Jefferson County						
General Government						
Buildings renovation and rehabilitation	$ 550,000	$ 550,000	$ 102,589	$ 33,176	$ 135,765	24.7%
Vehicles and equipment	132,607	132,607	4,000	31,793	35,793	27.0%
Public Safety						
Vehicles and equipment/facilities	460,143	299,965	202,262	115,941	318,203	106.1%
Debt service - principal	-	146,398	98,008	48,390	146,398	100.0%
Debt service - interest	-	13,780	9,729	4,051	13,780	100.0%
Public Works						
Vehicles and equipment/facilities	1,369,013	1,369,013	150,851	197,715	348,566	25.5%
Road improvements	1,930,565	1,930,565	154,559	3,687	158,246	8.2%
Economic Development						
Jefferson County Development Authority	1,458,000	1,458,000	419,546	286,277	705,823	48.4%
	5,900,328	5,900,328	1,141,544	721,030	1,862,574	
Intergovernmental						
City of Avera	103,855	103,855	39,694	27,085	66,779	64.3%
City of Bartow	150,279	150,279	57,437	39,192	96,629	64.3%
City of Louisville	1,297,952	1,297,952	496,082	338,503	834,585	64.3%
City of Stapleton	152,193	152,193	58,169	39,692	97,861	64.3%
City of Wadley	997,872	997,872	381,392	260,243	641,635	64.3%
City of Wrens	1,117,521	1,117,521	427,121	291,447	718,568	64.3%
	3,819,672	3,819,672	1,459,895	996,162	2,456,057	
TOTAL	$ 9,720,000	$ 9,720,000	$ 2,601,439	$ 1,717,192	$ 4,318,631	

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

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Actual Federal Disbursements/ Expenditures
U.S. Department of Housing and Urban Development			
Pass-through from Georgia Department of Community Affairs			
Community HOME Investment Program (CHIP)	14.228	12-h-y-081-1-5479	$ 15,273
Employment Incentive Program	14.228	11q-z-081-1-5431	500,000
Total U.S. Department of Housing and Urban Development			**515,273**
U. S. Department of Health and Human Services			
Pass-through Georgia Department of Human Resources			
Temporary Assistance for Needy Families	93.558	42700-362-013148	13,102
Social Services Block Grant	93.667	42700-362-013148	22,285
Total U.S. Department of Health and Human Services			**35,387**
U.S. Department of Homeland Security			
Pass-through from State of Georgia - Emergency Management Agency			
Pre-Disaster Mitigation Program	97.036	FEMA-1750-DR-GA	70,946
Emergency Management Performance Grants	97.042	OEM13-083	8,429
Total U.S. Department of Homeland Security			**79,375**
Total Expenditures of Federal Awards			$ 630,035

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting.

Measurement Focus - The determination of when an award is expended is based on when the activity related to the award occurs.

Program Type Determination - Type A programs are defined as Federal programs with Federal expenditures in excess of $ 300,000 or three percent of total Federal expenditures. The threshold of $ 300,000 was used in determining between Type A and Type B programs.

Method of Major Program Selection - The risk based approach was used in the selection of Federal programs to be tested as major programs. The County did not qualify as a low-risk auditee for the fiscal year ended June 30, 2013.

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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*

Honorable Chairman and Members of the
Board of Commissioners of Jefferson County
Louisville, 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 Jefferson County, Georgia, (the County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 16, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 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. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a

reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-1 and 2013-2 to be material weaknesses.

Compliance and Other Matters

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

We noted certain additional matters that we reported to the management of Jefferson County, Georgia, in a separate letter dated December 16, 2013.

Jefferson County, Georgia's Responses to Findings

Jefferson County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

Purpose of this Report

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

Jones, Jones, Davis & Associates

Louisville, Georgia
December 16, 2013

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

Honorable Chairman and Members of the
Board of Commissioners of Jefferson County
Louisville, Georgia

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Jefferson County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jefferson County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jefferson County, Georgia's internal control over compliance.

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

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

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

Jones, Jones, Davis & Associates

Louisville, Georgia
December 16, 2013

Section 1. – Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on the financial statements of Jefferson County, Georgia.

2. Two deficiencies disclosed during the audit of the financial statements are reported in the 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*. The deficiencies are reported as material weaknesses.

3. No instances of noncompliance material to the financial statements were disclosed during the audit.

4. No deficiencies related to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.

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

6. There were no audit findings relative to major federal award programs for Jefferson County, Georgia that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.

7. The programs tested as major programs include:

   U. S. Department of Housing and Urban Development

Employment Incentive Program	14.228

8. The threshold for distinguishing between type A and type B programs was $ 300,000.

9. Jefferson County, Georgia did not qualify as a low-risk auditee for the fiscal year ended June 30, 2013.

Section 2. - Financial Statement Findings

Internal Control

Material Weaknesses

Finding 2013-01 Lack of Segregation of Duties (Repeat Finding)

Condition: There is not adequate segregation of duties between the recording, processing, distribution and reconciliation of cash accounts and other operational functions in the various funds, departments and offices maintained by the County. This condition exists not only in the funds and accounts maintained by the County's financial office, but also in the other constitutionally elected offices of the County.

Criteria: The internal control environment of an entity will allow proper segregation of duties so that an employee will not have access to overlapping duties in regards to the receipt and/or disbursement of funds, reconciliation of accounts, posting of accounting records, etc.

Effect: An absence of appropriate segregation of duties could increase the risk of misappropriation of assets if other controls are not in place or do not function properly.

Recommendation: The County should continue to monitor this situation and use alternative control measures where available to assist in safeguarding County assets.

Management's Response: We are aware of this situation and will continue to evaluate the costs and related benefits of adding additional personnel in certain departments to alleviate this problem We will continue to use alternative measures where available to assist in safeguarding assets.

Finding 2013-02 Accounting Expertise - Preparation of Financial Statements (Repeat Finding)

Criteria: Statement on Auditing Standards No. 112 describes examples of circumstances that are to be considered to be a significant deficiency and a strong indicator of a material weakness in internal control. Deficiencies in the design of controls exist when employees or management lack the qualifications and training to prepare year-end financial statements in accordance with generally accepted accounting principles.

Condition: The County did not have an employee with adequate time, qualifications, and training to prepare year-end financial statements.

Section 2. - Financial Statement Findings (Continued)

Effect: The independent auditor has prepared financial statements from the records of the County. The County's management and staff are unable to evaluate the adequacy and completeness of the information presented.

Cause: The material weakness is the result of the County not having employees with adequate time, training, and expertise in generally accepted accounting principles and governmental accounting standards to prepare or adequately review and evaluate the financial statements which were prepared by the independent auditor.

Recommendation: The County should evaluate the cost/benefit implications of improving internal control with the preparation of year-end financial statements.

Management's Response: Management concurs with the finding, and has discussed this situation with our auditors. The County is aware of this situation and will continue to evaluate the costs and related benefits of internally preparing the financial statements and/or explore contracting this service to an outside party.

Section 3. – Federal Award Findings and Questioned Costs

No findings on questioned costs were noted for the year ended June 30, 2013 that are required to be reported in accordance with OMB Circular A-133 guidance.