MURRAY COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

Murray County, Georgia
Annual Financial Report
For the Year Ended December 31, 2013

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R.M. DOBBS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 423
CALHOUN, GEORGIA 30703-0423
706-629-4511

JERRY L. CLEMENTS, C.P.A.
LOUISE McGOWAN, C.P.A.
JUDY M. FAGAN, C.P.A.
JAN C. GOBLE, C.P.A.
MITZI B. POWELL, C.P.A.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioner
of Murray County
Chatsworth, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Murray County, Georgia, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Hospital Authority and the Department of Public Health, which represent 99 percent of the assets, net position, and revenues of the discretely presented component units.

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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hospital Authority and the Department of Public Health, which represent 99 percent of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hospital Authority and the Department of Public Health is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Murray County, Georgia, as of December 31, 2013, and the respective changes in financial position and budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Employee's Retirement Plan-Schedule of Funding Progress on pages 3-11 and 41 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Murray County, Georgia's basic financial statements. The combining and individual major and nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual major and nonmajor fund financial statements, budgetary comparison schedules, and schedule of expenditures of special purpose local option sales tax 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 major and nonmajor fund financial statements, budgetary comparison and the schedule of expenditures of special purpose local option sales tax are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2015, on our consideration of Murray 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 Murray County, Georgia's internal control over financial reporting and compliance.

R. M. Dabbs & Company

Calhoun, Georgia
January 12, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the comprehensive annual financial report for Murray County (the County), the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the calendar year ended December 31, 2013. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2013 FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities by $52,960,140 (total net position) as of December 31, 2013.
- Total net position are comprised of the following:
  (1) Net investment in capital assets, of $49,812,389 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net position of $147,929 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $2,999,786 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's governmental funds reported total ending fund balance of $6,055,618 at December 31, 2013. This compares to the prior year ending fund balance of $7,124,158, showing a decrease of $1,068,540 during the current year. Unassigned fund balance of $3,469,256 at December 31, 2013 shows a $170,638 decrease from the prior year amount at December 31, 2012.
- At the end of the current calendar year, the unassigned fund balance for the General Fund was $3,469,256, or 24% of total General Fund expenditures.
- The failing economy has played havoc with many of the County's 2013 revenue streams.
- Overall, the County continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior calendar year.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the County's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid.

An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Governmental activities include general government, judicial, public safety, public works, culture and recreation, health and welfare and housing and development.

The government-wide financial statements are presented on pages 12 & 13 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The County has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 14 to 18 of this report.

Information regarding the County's component units are found on pages 19 and 20 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

Fiduciary funds (i.e., the agency funds) are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund County programs. Primarily the County's constitutional officers use these funds.

The basic fiduciary fund financial statement is presented on page 21 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 22 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget presentations. Required supplementary information can be found on page 41 of this report.

Supplementary Information

As discussed, the County reports major funds in the basic financial statements. Comparative information for major funds and combining and individual statements and budgetary comparison schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 42.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County's net position at calendar year-end is $52,960,104. The following table provides a summary of the County's net position:

Summary of Net Position

	Governmental Activities	
	2013	2012
Assets:		
Current assets	$ 6,928,011	$ 8,994,244
Noncurrent assets:		
Other non-capital assets	102,315	102,872
Capital assets	49,812,389	52,840,240
Total assets	56,842,715	61,937,356
Liabilities:		
Current liabilities	796,465	3,504,117
Long-term liabilities	3,086,146	3,036,981
Total liabilities	3,882,611	6,541,098
Net position:		
Net investment in capital assets	49,812,389	50,510,240
Restricted	147,929	3,484,264
Unrestricted	2,999,786	1,401,754
Total net position	$ 52,960,104	$ 55,396,258

Current assets in governmental activities decreased in calendar year December 31, 2013. Cash and investments decreased $1,455,952, which relates to the spending down of the General Fund's fund balance and the 2007 SPLOST Fund's fund balance.

The County continues to maintain high current ratios. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 8.7 to 1 as compared to 2.6 to 1 at December 31, 2012.

The County reported positive balances in net position for governmental activities. During 2013, net position decreased $2,436,154 for governmental activities. However, the County remains in a strong financial position, in spite of a depressed economy.

Note that approximately 87.6% of the governmental activities' total assets are tied up in capital assets. The County uses these capital assets to provide services to its citizens

The following table provides a summary of the County's changes in net position at December 31, 2013 and 2012:

Summary of Changes in Net Position

	Governmental Activities	
	2013	As Reclassified 2012
Revenues:		
Program:		
Charges for services and fines	$ 2,452,116	$ 2,261,111
Operating grants	646,449	894,418
Capital grants and contributions	231,135	288,306
General:		
Property taxes	5,911,661	5,950,967
Sales taxes	6,953,534	8,048,344
Other taxes	2,011,353	1,993,864
Other	73,594	504,575
Total revenues	18,279,842	19,941,585
Program Expenses:		
General government	6,609,105	7,622,563
Judicial	1,481,958	1,676,247
Public safety	5,727,525	5,430,806
Public works	4,707,719	5,047,803
Health and welfare	1,156,011	871,083
Culture and recreation	589,440	592,449
Housing and development	425,016	439,143
Interest	19,222	150,550
Total expenses	20,715,996	21,830,644
Revenues (under) expenses	(2,436,154)	(1,889,059)
Beginning net position	55,396,258	57,285,317
Ending net position	$ 52,960,104	$ 55,396,258

Governmental Activity Revenues

The County is heavily reliant on both property taxes and sales taxes to support governmental operations. Property taxes provided 32.3% of the County's total revenues as compared to 29.8% in calendar year 2012. Sales and use taxes provided 38% of the County's total revenues as compared 40.4% in calendar year 2012. The County had no unrestricted investment earnings in fiscal year 2013 as compared to $4,121 in fiscal year 2012. This substantial decrease relates to lower interest rates and fewer resources available for investment.

Note that program revenues covered just 16.1% of governmental operating expenditures as compared to 15.8% in calendar year 2012. This means that the government's taxpayers and the County's other general revenues normally fund 83.9% of the governmental activities, primarily from property and sales taxes. This percentage is higher than the norm. As a result, the general economy and the success of local businesses have a major impact on the County's revenue streams.

Governmental Activity Expenses

The following table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

	Governmental Activities			
	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	$ 6,609,105	31.9%	$ 6,514,728	37.5%
Judicial	1,481,958	7.2%	1,468,236	8.4%
Public safety	5,727,525	27.6%	3,878,291	22.3%
Public works	4,707,719	22.7%	3,853,662	22.2%
Health and welfare	1,156,011	5.6%	933,849	5.4%
Culture and recreation	589,440	2.8%	380,980	2.2%
Housing and development	425,016	2.1%	337,328	1.9%
Interest	19,222	0.1%	19,222	0.1%
Total	$ 20,715,996	100.0%	$ 17,386,296	100.0%

FUND ANALYSIS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $6,055,618 compared to $7,124,158 in 2012. The bulk of this decrease relates to general fund and the 2007 SPLOST fund spending. The General Fund decreased its fund balance by $170,638 in this year. The 2007 SPLOST fund decreased its fund balance by $3,348,276.

Legally restricted fund balances include approximately $2.4 million set aside for SPLOST projects and related debt service. The total ending fund balances of governmental funds show a decrease of $1,068,540 or 15% from the prior year amount.

Major Governmental Funds

General Fund - The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by $170,638 or 4.7% as compared to $618,762 decrease in 2012. The ending unassigned fund balance is considered adequate, although not excessive, representing the equivalent of 24% of annual expenditures. This percentage compares to the 24.7% at December 31, 2012.

General property and motor vehicle taxes increased $513,336 or 9.2%. Most of this increase relates to the change in motor vehicle tax collection, or $471,523. Local option sales taxes revenue was $465,073 or 12.6% below the 2012 amount, due primarily to a sluggish growth economy. The insurance premium tax was $60,503 or 3.9% more than the 2012 year. This tax is distributed by the State of Georgia to Georgia local governments, based upon population. Penalties and interest on delinquent taxes decreased $25,469 or 11.7%. In total, tax revenues were $15,552 or just $1/10^{th}$ of 1% over those of 2012.

Under intergovernmental revenue, the federal payment in lieu of taxes were down $6,069 or 9.6% below the 2012 amount. These amounts can vary from year to year. DOT road grants decreased $114,631 or 21%, most of which relates to road resurfacing over what was available in 2012. The revenue related to the TVA decreased $53,011 or 18.7%. However, this revenue stream changes from year-to year in the distribution to local governments.

Total charges for services were down $59,047 or 7.3%. Transit fees were down $32,691 or 12.8%, which can vary from year to year. In total, fines increased $193,886 or 29.2%. Fines for the magistrate court were up $287,811 or 246.9% due to determination of additional fines collected in previous years but not remitted to the County until 2013. Superior court fines were down $59,851 or 26.7%. This reduction relates to individuals being unable to pay fines with more time served.

Total General Fund revenues decreased $492,872 or 3.3% from 2012.

Total General Fund expenditures decreased $849,594 or 5.5% from 2012. The most significant changes from calendar year 2012 are described below.

The general administration costs decreased $1,001,569 or 23.7% from 2012. Much of this decrease relates to a decrease in health insurance claims due to our wellness program and changes in plan options for employees. The costs for the tax assessor's office were $70,902 or 21.4% below the fiscal year 2012. Part of the reduction was due to funding for professional services in 2012 that were not contracted for in 2013 and part was due to not replacing an employee in 2013 from 2012.

The cost of the district attorney's office is down $161,036 or 33% from the prior year due to several positons being state funded versus locally funded.

In total, public safety costs increased $258,265 or 6.1% over the prior year. The sheriff's costs were increased $83,987 or 5.6% over the prior year due primarily to the addition of two narcotics investigators. The jail costs increased $100,105 or 6.4% over fiscal year 2012 due to the addition of jailers to open the new jail expansion.

Fire department expenditures increased $86,592 or 9.5% due to the addition of three full-time firefighters with the opening of the relocated Station #3.

Public works administration costs increased $91,312 or 9% due largely to an increase in LMIG funding from the Georgia Department of Transportation.

2007 SPLOST Capital Expenditures Fund - This fund is utilized to account for the proceeds of a 1% special purpose local option sales tax approved for funding various capital outlay projects including road and bridge projects, the detention center expansion, fire safety equipment and recreation facilities. The County also provides funds to the cities located within the County for certain capital projects, pursuant to intergovernmental agreements.

This fund is being spent down, consistent with the approved projects. In this year, there we no sales tax collections, as this tax expired. Approximately $981,000 was expended on capital projects and $2.4 million on debt service. At December 31, 2013, this fund is closed.

2013 SPLOST Capital Expenditures Fund – This fund is utilized to account for the proceeds of a 1% special purpose local option sales tax (which follows up the 2007 SPLOST) approved for $27 million to fund various capital outlay projects including:

Infrastructure $8.7 million
Hospital equipment and debt service $6.2 million
Public safety equipment $3.4 million
The City of Chatsworth $2.8 million
General County buildings and equipment $1.6 million
Public works equipment $1.1 million

In this year, this fund received approximately $3.7 million of sales tax collections. $828,019 was expended on capital projects. The County paid $466,646 to cities within the County for their share. At December 31, 2012, the fund balance is $2,438,433.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's revenue budget was not amended in 2013.

The general property taxes were $200,221 or 4.2% over the budget. Motor vehicle revenue exceeded the budget by $500,551 due to a change in the taxing system for vehicles. Local option sales taxes were $110,807 or 3.3% below the budget as the economy is still not growing much.

Charges for service were below the budget as follows:

- Transit - $102,838 – these revenues will vary as they relate to the level of service provided which was below the anticipated budget.
- Jail - $83,159 - due to state funding for inmate housing of state prisoners eliminated. In addition, other agencies reduced the number of inmates housed.
- Greenhouse - $64,217 – less revenues due to some reclassifications of amounts, which differed from the amounts included in the estimated revenue budget.

Superior court fines were $126,401 below the budget because more individuals are opting to serve time due to the inability to pay fines. The magistrate court revenue was $283,363 over the budget. In 2013, there was excess cash that should have been remitted in prior year but was received in 2013.

Most other revenues were within budget. The total revenue realized was below the budget by $123,283. In total, the County recognized 99.1% of the final revenue budget.

The budget for General Fund expenditures and other financing uses was increased by $133,219 or less than 1%, using fund balance to keep the budget in balance. After the budget amendment, there were no General Fund department budgets that were over expended.

In total, the County under spent the final expenditure budget by $1,066,566 or 6.9%. Because of the shrinking economy, all departments attempted to minimize their spending to help offset reducing revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2013, was $49,812,389, decreasing $3,027,851 or 5.7%. See Note 3-D for additional information about changes in capital assets during the calendar year and outstanding at the end of the year.

(This page continued on the subsequent page)

The following table provides a summary of capital asset balances:

Capital Assets

	Governmental Activities	
	2013	**2012**
Non-depreciable assets:		
Land	$ 2,989,442	$ 1,498,194
Construction in progress	121,869	5,331,876
Total non-depreciable	3,111,311	6,830,070
Depreciable assets:		
Buildings and improvements	29,254,833	25,398,625
Machinery, equipment and furniture	13,539,593	12,965,205
Infrastructure	120,073,474	119,642,270
Total depreciable assets	162,867,900	158,006,100
Less accumulated depreciation	116,166,822	111,995,930
Book value - depreciable assets	46,701,078	46,010,170
Percentage depreciated	71%	71%
Total assets	$ 49,812,389	$ 52,840,240

At December 31, 2013, the depreciable capital assets for governmental activities were 71% depreciated. This compares to 71% at December 31, 2012. This comparison indicates that the County is replacing its assets at almost the same rate as they are depreciating which is a positive indicator. However, the percentage depreciated of 71% total is above the norm. The total 2013 depreciation expense was $4,170,892 of which $3,409,699 or 81.7% relates to the public works function.

In addition to property transferred from construction in progress including the Recreation Center at Hyden-Tyler Road and the Fire Department, increases include sheriff department vehicles, ambulance, and magistrate/jail renovation. The increase in infrastructure relates to resurfacing of roads.

Long-term Debt

During fiscal year 2013, the County retired $2,330,000 or 100% of outstanding general obligation bonds.
The following table reports debt balances at December 31, 2013 and 2012:

Outstanding Borrowings

	Governmental Activities	
	2013	**2012**
General obligation bonds	$ -	$ 2,330,000

See Note 3-H for additional information about the County's long-term debt.

A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE COUNTY

The County is located in North Georgia, on the Tennessee/Georgia boundary. For the past ten years, the County has experienced population growth. This population growth has resulted in an increase for services, particularly in public safety, judicial and public works. The County is one of about 3,141 counties and county equivalents in the United States.

The December 2013 unemployment rate was 9.3% as compared to the State of Georgia's 8.2% and the Federal government's rate was 6.0%. There are 14,745 employed within the County. The County's 2013 population was 39,2873 or down just 84 from the December 2012 population.

The primary revenue streams for the County are property taxes and sales taxes. This is a good revenue mix as property taxes are classified as "inelastic" and sales taxes are classified as "elastic." Sales tax revenue is highly sensitive to fluctuations in the economy. Total property taxes increased about $475,000 due primarily to the change in the method of taxing vehicles. The current economic downturn has definitely affected the County's revenue streams; however, sales taxes decreased approximately $465,000 from 2012. The 2014 budget is a no-frills operational budget with departmental belt tightening and very few capital projects. We are hopeful the economy will recover by mid-year and we will constantly monitor our economic condition to make the necessary adjustments.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions, concerning any of the information provided in this report or would like to request additional information, contact:

Murray County Finance Department
P.O. Box 1129
Chatsworth, Georgia 30705
Telephone 706-517-1400 ext. 367

Murray County, Georgia
Statement of Net Position
December 31, 2013

	Primary Government Governmental Activities	Component Units
Assets		
Current Assets		
Cash and cash equivalents	$ 5,132,700	$ 255,504
Investments	-	109,665
Receivables:		
Accounts	225,627	1,863,369
Property taxes	917,305	-
Sales taxes	532,326	-
Intergovernmental	46,334	-
Inventory	-	314,808
Prepaid items	-	89,842
Restricted assets	73,719	554,912
Total Current Assets	6,928,011	3,188,100
Noncurrent Assets		
Unamortized bond issuance costs	-	75,976
Net pension assets	102,315	-
Capital assets		
Nondepreciable	3,111,311	106,000
Depreciable, net	46,701,078	8,714,521
Noncurrent Assets	49,914,704	8,896,497
Total Assets	56,842,715	12,084,597
Liabilities		
Current Liabilities		
Accounts payable	207,193	1,866,536
Accrued expenses payable	258,037	682,192
Funds held in escrow	73,719	-
Compensated absences payable	257,516	-
Notes payable	-	389,561
Notes payable - line of credit	-	1,129,122
Payable from restricted assets:		
Revenue certificates payable	-	345,142
Current Liabilities	796,465	4,412,553
Long-Term Liabilities (net of current portion):		
Landfill closure and post-closure care	3,000,307	-
Compensated absences payable	85,839	29,154
Notes payable	-	5,196,820
Revenue certificates payable	-	5,611,000
Total Long-Term Liabilities	3,086,146	10,836,974
Total Liabilities	3,882,611	15,249,527
Net Position		
Net investment in capital assets	49,812,389	(2,722,002)
Restricted for:		
Debt service	-	563,421
Capital projects	1	-
Judicial purposes	3,373	-
Public safety purposes	144,555	-
Unrestricted	2,999,786	(1,006,349)
Total Net Position	$ 52,960,104	$ (3,164,930)

See accompanying notes to the basic financial statements

Murray County, Georgia
Statement of Activities
For the Year Ended December 31, 2013

Function/Program	Expenses	Program Revenues: Charges for Services and Sales and Fines	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Primary Government	Net Revenue (Expense) and Changes in Net Position: Component Units
Primary Government						
Governmental Activities						
General government	$ 6,609,105	$ 11,002	$ 83,375	$ -	$ (6,514,728)	$ -
Judicial	1,481,958	13,722	-	-	(1,468,236)	-
Public safety	5,727,525	1,823,450	25,784	-	(3,878,291)	-
Public works	4,707,719	95,122	527,800	231,135	(3,853,662)	-
Health and welfare	1,156,011	222,162	-	-	(933,849)	-
Culture and recreation	589,440	198,970	9,490	-	(380,980)	-
Housing and development	425,016	87,688	-	-	(337,328)	-
Interest	19,222	-	-	-	(19,222)	-
Total Governmental Activities	$ 20,715,996	$ 2,452,116	$ 646,449	$ 231,135	(17,386,296)	-
Component Units						
Recreation Commission	$ 11,610	$ 12,227	$ -	$ -	-	617
Department of Public Health	730,352	208,299	521,610	78,337	-	77,894
Hospital Authority	19,570,937	10,985,475	-	2,936,704	-	(5,648,758)
Total Component Units	$ 20,312,899	$ 11,206,001	$ 521,610	$ 3,015,041	-	(5,570,247)
		General Revenues				
		Property taxes levied for general government purposes			5,911,661	-
		Sales taxes			6,953,534	-
		Insurance premium taxes			1,598,484	-
		Other taxes			412,869	-
		Investment earnings			3,736	12,783
		Gain on the disposition of noncapitalized assets			32,298	-
		Miscellaneous			37,560	128,595
		Total General Revenues			14,950,142	141,378
		Change in Net Position			(2,436,154)	(5,428,869)
		Net Position Beginning of Year			55,396,258	2,263,939
		Net Position End of Year			$ 52,960,104	$ (3,164,930)

See accompanying notes to the basic financial statements

Murray County, Georgia
Balance Sheet
Governmental Funds
December 31, 2013

	General	SPLOST 2013	SPLOST 2007	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 2,864,985	$ 2,209,653	$ -	$ 58,062	$ 5,132,700
Restricted cash	73,719	-	-	-	73,719
Receivables:					
Accounts	104,439	-	-	121,188	225,627
Property taxes	917,305	-	-	-	917,305
Sales taxes	263,012	269,314	-	-	532,326
Intergovernmental	46,334	-	-	-	46,334
Total Assets	$ 4,269,794	$ 2,478,967	$ -	$ 179,250	$ 6,928,011
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 156,663	$ 40,534	$ -	$ 9,996	$ 207,193
Accrued expenditures	236,712	-	-	21,325	258,037
Funds held in escrow	73,719	-	-	-	73,719
Total Liabilities	467,094	40,534	-	31,321	538,949
Deferred Inflows of Resources	333,444	-	-	-	333,444
Total Liabilities and Deferred Inflows of Resources	800,538	40,534	-	31,321	872,393
Fund Balances					
Restricted	-	2,438,433	-	147,929	2,586,362
Unassigned	3,469,256	-	-	-	3,469,256
Total Fund Balances	3,469,256	2,438,433	-	147,929	6,055,618
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 4,269,794	$ 2,478,967	$ -	$ 179,250	$ 6,928,011

See accompanying notes to the basic financial statements

Murray County, Georgia
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2013

Total Governmental Fund Balances		$ 6,055,618
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds (exclusive of internal service funds' capital assets).		
Cost of capital assets	$ 165,979,212	
Less accumulated depreciation	(116,166,823)	49,812,389
Other long-term assets (i.e., property taxes receivable) are not available to pay for current-period expenditures and therefore are deferred in the funds.		333,444
Net pension assets are not current financial resources and are not recognized at the fund financial reporting level but are reported on the government-wide statement of net position.		102,315
Liabilities not due and payable in the current period are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position.		
Landfill closure and post closure care payable	$ (3,000,307)	
Compensated absences payable	(343,355)	(3,343,662)
Net Position of Governmental Activities		$ 52,960,104

See accompanying notes to the basic financial statements

Murray County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General	SPLOST 2013	SPLOST 2007	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 11,703,740	$ 3,730,644	$ -	$ 66,934	$ 15,501,318
Licenses and permits	87,688	-	-	-	87,688
Intergovernmental	741,839	-	-	110,780	852,619
Charges for services	752,027	-	-	558,465	1,310,492
Fines and forfeitures	857,855	-	-	139,690	997,545
Investment earnings	-	2,454	1,281	1	3,736
Miscellaneous	118,916	-	-	-	118,916
Total Revenues	14,262,065	3,733,098	1,281	875,870	18,872,314
Expenditures					
Current:					
General government	5,928,317	-	-	250	5,928,567
Judicial	1,446,469	-	-	7,285	1,453,754
Public safety	4,472,928	-	-	799,158	5,272,086
Public works	1,337,340	-	-	-	1,337,340
Culture and recreation	514,915	-	-	-	514,915
Health and welfare	417,419	-	-	-	417,419
Housing and development	314,909	-	-	89,940	404,849
Intergovernmental	-	466,646	-	-	466,646
Capital Outlay	-	828,019	981,133	-	1,809,152
Debt Service:					
Principal retirement	-	-	2,330,000	-	2,330,000
Interest and fiscal charges	-	-	38,424	-	38,424
Total Expenditures	14,432,297	1,294,665	3,349,557	896,633	19,973,152
Excess (Deficiency) of Revenues Over (Under) Expenditures	(170,232)	2,438,433	(3,348,276)	(20,763)	(1,100,838)
Other Financing Sources (Uses)					
Proceeds from the sale of noncapitalized capital assets	32,298	-	-	-	32,298
Transfers in	-	-	-	32,704	32,704
Transfers out	(32,704)	-	-	-	(32,704)
Total Other Financing Sources (Uses)	(406)	-	-	32,704	32,298
Net Change in Fund Balances	(170,638)	2,438,433	(3,348,276)	11,941	(1,068,540)
Fund Balances Beginning of Year	3,639,894	-	3,348,276	135,988	7,124,158
Fund Balances End of Year	$ 3,469,256	$ 2,438,433	$ -	$ 147,929	$ 6,055,618

See accompanying notes to the basic financial statements

Murray 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 December 31, 2013

Net Changes In Fund Balances - Total Governmental Funds		$ (1,068,540)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. 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 capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (4,170,892)	
Capital outlay	1,143,041	(3,027,851)
The increase in pension assets are reported on the government-wide statement of activities but not in the governmental fund's operating statement.		
Balance @ 12/31/13	$ 102,315	
Balance @ 12/31/12	(102,872)	(557)
Property tax revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues at the fund financial reporting level.		
Deferred @ 12/31/13	$ 333,444	
Deferred @ 12/31/12	(958,214)	(624,770)
Elimination of transfers between governmental funds:		
Transfers in	$ (32,704)	
Transfers out	32,704	-
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the government-wide statement of net position.		2,330,000
Landfill closure and postclosure care liabilities reported in the government-wide statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/13	$ (3,000,307)	
Liability @ 12/31/12	2,955,967	(44,340)
Accrued interest is reported in the government-wide statement of activities, but does not require the use of financial resources and therefore are not reported as reported as expenditures in governmental funds.		
Liability @ 12/31/13	$ -	
Liability @ 12/31/12	19,202	19,202
Compensated absences reported in the government-wide statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/13	$ (343,355)	
Liability @ 12/31/12	324,057	(19,298)
Change In Net Position of Governmental Activities		$ (2,436,154)

See accompanying notes to the basic financial statements

Murray County, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	$ 11,175,007	$ 11,175,007	$ 11,703,740	$ 528,733
Licenses and permits	84,700	84,700	87,688	2,988
Intergovernmental	772,783	772,783	741,839	(30,944)
Charges for services	977,443	977,443	752,027	(225,416)
Fines and forfeitures	758,500	758,500	857,855	99,355
Investment earnings	5,025	5,025	-	(5,025)
Miscellaneous	611,890	611,890	118,916	(492,974)
Total Revenues	14,385,348	14,385,348	14,262,065	(123,283)
Expenditures				
Current:				
General government	6,339,163	6,361,688	5,928,317	433,371
Judicial	1,516,530	1,521,350	1,446,469	74,881
Public safety	4,566,918	4,630,643	4,472,928	157,715
Public works	1,669,875	1,670,511	1,337,340	333,171
Culture and recreation	555,000	555,000	514,915	40,085
Health and welfare	434,900	437,709	417,419	20,290
Housing and development	315,962	321,962	314,909	7,053
Total Expenditures	15,398,348	15,498,863	14,432,297	1,066,566
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,013,000)	(1,113,515)	(170,232)	943,283
Other Financing Sources (Uses)				
Proceeds from the sale of noncapitalized capital assets	30,000	30,000	32,298	2,298
Appropriation of fund balance	983,000	1,116,219	-	(1,116,219)
Transfers out	-	(32,704)	(32,704)	-
Net Change in Fund Balances	$ -	$ -	(170,638)	$ (170,638)
Fund Balances Beginning of Year			3,639,894	
Fund Balances End of Year			$ 3,469,256	

See accompanying notes to the basic financial statements

Murray County, Georgia
Combining Statement of Net Position
Component Units
December 31, 2013

	Hospital Authority	Department of Public Health	Recreation Commission	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 1,486	$ 250,020	$ 3,998	$ 255,504
Investments	109,665	-	-	109,665
Accounts receivable	1,815,163	48,206	-	1,863,369
Prepaid items	89,842	-	-	89,842
Inventory	312,908	1,900	-	314,808
Restricted assets	554,912	-	-	554,912
Total Current Assets	2,883,976	300,126	3,998	3,188,100
Noncurrent Assets:				
Deferred charges	75,976	-	-	75,976
Capital assets:				
Nondepreciable	106,000		-	106,000
Depreciable, net	8,706,454	8,067	-	8,714,521
Total Noncurrent Assets	8,888,430	8,067	-	8,896,497
Total Assets	11,772,406	308,193	3,998	12,084,597
Liabilities				
Current Liabilities:				
Accounts payable	1,866,536	-	-	1,866,536
Accrued expenses	682,192	-	-	682,192
Notes payable - line of credit	1,129,122	-	-	1,129,122
Notes payable	389,561	-	-	389,561
Total Current Liabilities	4,067,411	-	-	4,067,411
Current Liabilities Payable From Restricted Assets				
Revenue certificates payable	345,142	-	-	345,142
Long-Term Liabilities (net of current portion):				
Notes payable	5,196,820	-	-	5,196,820
Revenue certificates payable	5,611,000	-	-	5,611,000
Compensated absences	-	29,154	-	29,154
Total Long-Term Liabilities	10,807,820	29,154	-	10,836,974
Total Liabilities	15,220,373	29,154	-	15,249,527
Net Position				
Net investment in capital assets (deficit)	(2,730,069)	8,067	-	(2,722,002)
Restricted for debt service	554,912	8,509	-	563,421
Unrestricted	(1,272,810)	262,463	3,998	(1,006,349)
Total Net Position	$ (3,447,967)	$ 279,039	$ 3,998	$ (3,164,930)

See accompanying notes to the basic financial statements

Murray County, Georgia
Combining Statement of Activities
Component Units
For the Calendar Year Ended December 31, 2013

	Hospital Authority	Department of Public Health	Recreation Commission	Total
Expenses:				
General government	$ 19,570,937	$ -	$ -	$ 19,570,937
Public health	-	730,352	-	730,352
Culture and recreation	-	-	11,610	11,610
Total Expenses	19,570,937	730,352	11,610	20,312,899
Revenues:				
Program:				
Charges for services	10,985,475	208,299	12,227	11,206,001
Operating grants and contributions	-	521,610	-	521,610
Capital grants and contributions	2,936,704	78,337	-	3,015,041
Total Program Revenues	13,922,179	808,246	12,227	14,742,652
Net Program (Expense)	(5,648,758)	77,894	617	(5,570,247)
General Revenues:				
Miscellaneous	128,595	-	-	128,595
Investment earnings	12,783	-	-	12,783
Total General Revenues:	141,378	-	-	141,378
Change in Net Position	(5,507,380)	77,894	617	(5,428,869)
Net Position Beginning of Year	2,059,413	201,145	3,381	2,263,939
Net Position End of Year	$ (3,447,967)	$ 279,039	$ 3,998	$ (3,164,930)

See accompanying notes to the basic financial statements

Murray County, Georgia
Comparative Statements of Fiduciary Assets and Liabilities
Fiduciary Funds
Agency Funds
December 31, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 710,985	$ 401,416
Liabilities		
Due to others	$ 710,985	$ 401,416

See accompanying notes to the basic financial statements

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Murray County, Georgia (the County) is a political subdivision of the State of Georgia and was created by a legislative act in 1832. The County operates under a Commission-Administrator form of government and is governed by an elected sole county commissioner, 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, Juvenile Court Judge, Superior Court Judge and Clerk of the Superior Court. The County's major services include general government, courts, public safety, public works, health and welfare, parks, recreation and culture and planning and community development.

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 unit 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.

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 columns included on the government-wide financial statements identify the financial data of the County's discretely presented component units, reported separately to emphasize that the component units are legally separate from the County.

A brief description of the discretely presented component units are as follows:

Murray County Health Department – (Health Department) – The Health Department works to promote and preserve the health of the citizens of the County. The Health Department's 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 Health Department'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 Health Department. The Health Department is reported on a June 30, 2013 fiscal year. Complete financial statements for the Health Department may be obtained from its administrative office at:

Northwest Health District 1 Unit 1
111 Bryant Crossing, Suite AA
Dalton, Georgia 30720

Murray County Recreation Commission – The Murray County Recreation Commission (the "Parks and Recreation Commission") manages and maintains park and recreation facilities for the benefit of Murray County citizens. The County Commission appoints all of the Commission's board members and the County has a significant financial relationship with the Parks and Recreation Commission. Financial information related to the Parks and Recreation Commission may be obtained from the Parks and Recreation clerk of Murray County.

Note 1 - Summary of Significant Accounting Policies (Continued)

Murray County Hospital Authority – The Murray County Hospital Authority owns the general hospital building which is leased to and known as Murray Medical Center, Inc. and managed by Hamilton Health Care System, Inc. The general hospital provides health, surgical and recovery services to the citizens of Murray County and surrounding areas. The Hospital Authority has outstanding bonds payable which are guaranteed by the County. Complete financial statements for the year ended December 31, 2013 can be obtained directly from their administrative offices as follows:

Murray County Hospital Authority
707 Old Dalton Ellijay Road
Chatsworth, Georgia 30705

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. The primary government and the discretely presented component units are presented separately within these financial statements with the focus on the primary government. Fiduciary funds are not presented in the government-wide financial statements.

The statement of net position presents the financial position of the governmental 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. 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 governmental and fiduciary funds.

Major individual governmental funds 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 two categories of funds: governmental and fiduciary.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental Funds - Governmental 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:

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 the State of Georgia.

2013 Special Purpose Local Option Sales Tax Capital Projects Fund – This fund is utilized to account for the proceeds of a 1 percent special purpose local option sales tax beginning January 1, 2013 for funding various capital outlay projects including road and bridges projects, hospital equipment and debt reduction, public safety equipment and vehicles, recreation department equipment and expansion, public works equipment and vehicles, general facility equipment and enhancements, fire station construction and expansion, communications, and economic development projects.

2007 Special Purpose Local Option Sales Tax Capital Projects Fund – This fund is utilized to account for the proceeds of a 1 percent special purpose local option sales tax beginning January 1, 2007 for funding various capital outlay projects including road and bridge projects, expansion of the detention center, fire safety equipment and recreation facilities.

Fiduciary Funds - Fiduciary fund reporting focuses on net position. The County's fiduciary funds include agency funds. The County's fiduciary funds are agency funds for use by the County's constitutional officers comprised of the Tax Commissioner, Clerk of Superior Court, Sheriff, Judge of Probate Court and Magistrate Court.

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.

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. 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. Fiduciary funds are reported on the accrual basis.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 calendar year in which the resources are measurable and become available. Available means that the resources will be collected within the current calendar year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current calendar 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 calendar year for which the taxes are levied (Note 3-C). Revenue from grants and donations is recognized in the 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, charges for services and federal and state grants.

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

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 cash on hand, demand deposits, certificates of deposits and deposits with the Georgia Fund I (i.e., the local government investment pool) as well as short-term investments with a maturity date within three months of the date acquired by the County.

Currently the County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. 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 United States 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

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." Long-term interfund receivables and payables are classified as advances. These amounts are eliminated in the governmental columns of the statement of net position.

1-E-4 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 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-5 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 funds balance sheet.

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 $5,000 and an estimated useful life of two years or more (excluding infrastructure). All infrastructure is capitalized with a cost of $50,000 and an estimated life of two years or more. The County's infrastructure consists of roads and bridges. The County's entire infrastructure has been reported regardless of acquisition date. 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.

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:

Asset Class	Governmental Activities
Land improvements	25- 50 Years
Site improvements	50 Years
Infrastructure	15-30 Years
Buildings	25-50 Years
Machinery and equipment	6-15 Years
Office equipment	5 Years
Furniture and fixtures	20 Years
Intangibles - software	5 Years
Vehicles	6-15 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-6 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. (Note 3-H)

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

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

1-E-7 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. Certificates of participation, bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-8 Fund Equity (Note 3-J)

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 – 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:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the approval of a motion. Only, the County Commission also may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the County chairman or designee 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 funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 represent 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 deferred bond premiums, discounts or refunding amounts. Net position is 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. The balance of net position is reported as unrestricted.

1-E-9 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 interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in the 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 funds reported in the governmental activities column are eliminated from the government-wide statement of activities.

1-E-10 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-11 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 reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The applicable statutes of the State of Georgia require the County to operate under an annual balanced budget adopted by resolution. The County adopts an annual operating budget for all governmental funds except the capital projects funds, which have an adopted project budget. The budget resolution reflects the total of each department's appropriation in each fund.

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 changes between department appropriations within a fund requires approval of the County Commission.

Note 2 – Stewardship, Compliance and Accountability (Continued)

The budget is adopted on a basis consistent with generally accepted accounting principles, and on the same basis of accounting used by each fund to which the budget applies. The County Commission must also approve budget transfers within departments.

The original 2013 budget was amended during the year. All unencumbered annual appropriations lapse at year-end. Encumbered appropriations are carried forward to the subsequent year automatically.

2-B. Excess of Expenditures over Appropriations

The following departments overspent the final amended 2013 annual budget:

Hotel/motel tax fund:	
Housing and development	$6,934
Confiscated assets fund	
Public safety	$57,275
Substance abuse fund	
Public safety	$2,406

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – All of the bank balances are insured or collateralized with securities held by the County or by its agent in the County's name or with securities held by the pledging financial institution's trust department or agent in the County's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

Investments – The fair value of investments of the Primary Government (the County) is as follows at December 31, 2013:

		Maturity
Money market funds	$2,547,368	current to one year

Credit Quality Risk – Credit quality risk is that an issuer or other counterparty to an investment will not fulfill its obligations. The money market funds are not rated.

Component Unit - Investments reported by the Health Department, a discretely presented component unit, represent excess cash in the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). Funds included in the State Treasurer's Investment Pool are not required to be collateralized. The pool is regulated by the oversight of the Office of State Treasurer. The fair value of the Health Department's position in the pool approximates the value of the Health Department's pool shares.

Note 3 - Detailed Notes on All Funds (Continued)

Primary government cash and cash equivalents reconciliation:

	Cash and Cash Equivalents
Primary Government - Fund Reporting Level:	
Governmental Funds - Balance Sheet - unrestricted	$ 5,132,700
Governmental Funds - Balance Sheet - restricted	73,719
Statement of Fiduciary Assets and Liabilities	710,985
Total	$ 5,917,404

3-B. Receivables

Receivables at December 31, 2013, consisted of taxes, interest, accounts (billings for user charges) 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

The Board of Commissioners levied property taxes during the month of September 2013. Property taxes attach as an enforceable lien on property as of January 1. Property taxes were billed on October 1, 2013 and are due upon receipt, however, the actual due date was December 1, 2013. 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. The County also collects vehicle and mobile home taxes for the cities located in the County and the State of Georgia. Collection of the County's taxes and for the other governmental agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an agency fund.

(This page continued on the subsequent page)

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Governmental fund activities capital asset activity for the year ended December 31, 2013, was as follows:

	1/1/2013	Additions	Deductions	12/31/2013
Nondepreciable capital assets:				
Land	$ 1,498,194	$ 1,491,248	$ -	$ 2,989,442
Construction in Progress	5,331,876	121,869	5,331,876	121,869
Total nondepreciable capital assets	6,830,070	1,613,117	5,331,876	3,111,311
Depreciable capital assets:				
Land improvements	814,622	2,667,890	-	3,482,512
Site improvements	1,472,079	-	-	1,472,079
Infrastructure	119,642,270	431,204	-	120,073,474
Buildings	23,111,927	1,188,315	-	24,300,242
Machinery and equipment	6,186,600	209,800	-	6,396,400
Office equipment	300,313	23,252	-	323,565
Furniture and fixtures	157,632	14,274	-	171,906
Software	71,593	19,000	-	90,593
Vehicles	6,249,064	308,065	-	6,557,129
Total depreciable capital assets	158,006,100	4,861,800	-	162,867,900
Total capital assets	164,836,170	6,474,917	5,331,876	165,979,211
Accumulated depreciation:				
Land improvements	432,074	93,984	-	526,058
Site improvements	739,286	40,766	-	780,052
Infrastructure	96,156,666	2,917,247	-	99,073,913
Buildings	4,287,734	519,487	-	4,807,221
Machinery and equipment	4,853,051	254,376	-	5,107,427
Office equipment	296,267	9,363	-	305,630
Furniture and fixtures	48,910	8,472	-	57,382
Software	65,608	15,037	-	80,645
Vehicles	5,116,334	312,160	-	5,428,494
Total accumulated depreciation	111,995,930	4,170,892	-	116,166,822
Governmental activities capital assets, net	$ 52,840,240	$ 2,304,025	$ 5,331,876	$ 49,812,389

Note 3 - Detailed Notes on All Funds (Continued)

Governmental activities depreciation expense

General government	$	97,706
Judicial		18,964
Public safety		377,412
Public works		3,409,699
Health and welfare		80,287
Culture and recreation		167,172
Housing and development		19,652
Total governmental activities depreciation expense	$	4,170,892

3-E. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The County's governmental funds report unavailable revenues as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

These amounts are reported as follows:

Fund	Amount	Types of Resources
General	$ 333,444	Property Taxes

3-F. Interfund Transfers

Interfund Transfers - Interfund transfers for the year ended December 31, 2013, consisted of the following:

	Transfers From
Transfers To:	General Fund
Nonmajor governmental fund	$ 32,704

Transfers are utilized to report revenues in the fund required by statute or budget to collect such revenue, or to expend such revenue. Transfers are also utilized to account for revenues collected in the General Fund which are to be used by other funds in accordance with budgetary authorizations or anticipated capital projects. All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

Note 3 - Detailed Notes on All Funds (Continued)

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

State and Federal laws and regulations require that the County place a final cover on its landfill when officially closed as well as perform certain maintenance and monitoring functions at the landfill site for a period of thirty years after such closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post closure care costs is based on the amount of the landfill capacity used during the year.

The County owns two landfill sites. Site 1 was operated by the County until 1997 when it reached capacity and stopped accepting waste. Site 2, leased and operated by Santek, is operated on a cell basis; that is, only a portion or cell of the landfill is used at a time. The term of the lease agreement shall be the operational life of the landfill as determined by remaining capacity from time to time, which is based on current waste density and tonnage currently estimated to end in 2237.

The County has met all of its closure obligations for Site 1; therefore, there is no further liability for closure costs. Closure certificates were obtained in late 2003 and early 2004. The post-closure period for this location is estimated to end in 2033. Under the existing lease agreement, Santek shall be responsible for post-closure care during the term of the agreement.

Under the existing lease contract, Santek is also responsible for the construction, maintenance, and closure costs of each cell of Site 2 it operates. Santek shall also be responsible for the post-closure care of those sites while the lease agreement remains in effect. Following the termination of this lease, the County immediately assumes full responsibility for the post-closure costs for the balance of the 30-year period. Based on the use of 10% of the estimated capacity of the landfill, the County has recognized a liability for post closure costs accrued to date of $3,000,307 and has not recognized related closure costs of $2,537,521 to be provided by Santek under the lease agreement.

The remaining estimated costs of closure and post-closure in the amount of $8,816,548 will be recognized as the remaining capacity is used, with the County responsible for $2,739,870 of such post closure costs, and Santek responsible for the remaining $6,076,678 of closure costs. This liability is based upon estimated remaining waste capacity of 20,205,535 cubic yards and 22 years for Site 2. These amounts are based on what it would cost to perform all closure and post closure care in 2013. Any changes to the lease term as well as additional bonds or letters of credit provided by Santek could change these assumptions. Actual costs may also vary due to inflation or deflation, changes in technology or changes in laws and regulations.

3-H. Long-Term Debt

There is no outstanding debt issues at December 31, 2013.

Governmental Activities Debt - The County amortized the following debt issues during the year ended December 31, 2013.

Series 2007 General Obligation Sales Tax Bonds – In 2007, the County issued $8.5 million general obligation sales tax bonds to finance capital projects with an interest rate of 3.79% per annum. The final principal payment of $1,180,000 was made on April 1, 2013. Interest costs during 2013 were $22,381.

Series 2008 General Obligation Sales Tax Bonds – In 2008, the County issued $4.5 million general obligation sales tax bonds to finance capital projects with an interest rate of 2.79% per annum. The final principal payment of $1,150,000 was made April 1, 2013. Interest costs during 2013 were $16,043.

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2013:

Governmental Activities	Outstanding 1/1/2013	Additions	Reductions	Outstanding 12/31/2012	Amounts Due in One Year
2007 general obligation bonds	$ 1,180,000	$ -	$ 1,180,000	$ -	$ -
2008 general obligation bonds	1,150,000	-	1,150,000	-	-
Total bonded debt	2,330,000	-	2,330,000	-	-
Landfill post-closure costs	2,955,967	44,340	-	3,000,307	-
Compensated absences	324,057	262,341	243,043	343,355	257,516
Total Governmental Activities	$ 5,610,024	$ 306,681	$ 2,573,043	$ 3,343,662	$ 257,516

The general obligation bonds and the capital lease are being retired by the 2007 SPLOST fund. The landfill postclosure costs are being retired by the general fund. The governmental activities compensated absences liability will be paid from the fund from which the employees' salaries are paid, generally the general fund and the E-911 fund.

3-I. Pensions

Plan Description – The Murray County Board of Commissioners Defined Benefit Pension Plan and Trust, (the "Plan"), is affiliated with the Association of County Commissioners of Georgia Defined Benefit Plan (ACCG), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The authority for the Plan, benefits, vesting and contributions are established by the Board of Commissioners. The Plan is administered by the Government Employee Benefits Corporation of Georgia (GEB Corp). GEB Corp issues a publicly available financial report that includes financial statements and required supplementary information for ACCG.

The Plan is a defined benefit pension plan that provides retirement, disability and death benefits to Plan members and beneficiaries. All full-time employees, defined as those providing at least 1,000 hours of service to the County per Plan year, are eligible for participation in the Plan. Any eligible employee who has both completed one year of service and has attained the age of 21 may participate in the Plan. Employees become vested after five years of service to the County.

All full-time eligible employees participate in the ACCG Plan (Plan) immediately upon employment.

The County sponsors the Plan. The Plan provides retirement, disability, and death benefits to plan participants. The plan assets shall be used only for the payment of benefits to the members of the plan, in accordance with the terms of the plan.

All full time employees and employees receiving county supplements participate in the plan. Benefits vest after 5 years. Participants may retire at normal retirement, which is the later of age 65, or 5 years of vesting service. Early retirement eligibility is the later of age 55 or 10 years of vesting service.

The benefit is as follows:

- 1.25% of average annual compensation times past service (i.e., service prior to January 1, 2006) less the accumulated benefit amount of other Murray County retirement benefits.
- 2.5% of average annual compensation times future service (i.e., service after December 31, 2005),
- .25% of average annual compensation times "buy-back" units at buy back age.

Compensation is defined as the highest five years of base wages during employment with the County.

Note 3 - Detailed Notes on All Funds (Continued)

The following is the plan membership at December 31, 2013:

Active plan participants	136
Retirees and beneficiaries currently receiving benefits	65
Disabled in pay status	1
Active plan participants or terminated plan participants entitled to, but not yet receiving benefits	105
Total	307

A copy of the plan's financial report may be obtained from:

Government Employee Benefits Corporation of Georgia
1100 Circle 74 Parkway, Suite 300
Atlanta, Georgia 30339

Funding Policy – The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Board of Trustees, and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. The funding of this plan is a non-contributory plan with 100% of the contributions made by the County and employees hired before November 1, 2013 do not contribute to this plan.

Effective November 1, 2013, all new employees are enrolled in a defined contribution plan. A condition of employment requires a 3% contribution by the employee and a 3% match by the County. Employees can contribute at a higher percentage and the county will match up to 5%.

Annual Pension Cost – The County's annual pension costs for the last three years are as follows:

Schedule of Employer Contributions

Fiscal Year Beginning	Annual Pension Cost	Employer Contribution	Percentage Contributed	Net Pension Obligation
1/1/2011	$ 562,703	$ 560,527	99.6%	$ (103,433)
1/1/2012	544,148	543,587	99.9%	(102,872)
1/1/2013	514,367	513,810	99.9%	(102,315)

Note 3 - Detailed Notes on All Funds (Continued)

Net Pension Assets – The County's derivation of the annual required contribution, the annual pension cost and net pension obligation (assets) at January 1, 2013 and 2013, the two most recent actuarial valuations, are as follows:

	January 1, 2014	January 1, 2013
Derivation of the Annual Required Contribution:		
Normal cost	$ 132,324	$ 275,464
Amortization of unfunded accrued actuarial liability (UAAL)	195,482	195,491
Pre-retirement death benefit expense	13,153	18,253
Administrative expenses	23,041	24,602
Annual required contribution (ARC)	$ 364,000	$ 513,810
Derivation of the Annual Pension Cost:		
Annual required contribution (ARC)	$ 364,000	$ 513,810
Interest on prior year net pension obligation	(7,674)	(7,973)
Adjustment to ARC	8,335	8,530
Annual pension cost	$ 364,661	$ 514,367
Derivation of the Net Pension Obligation (Assets):		
Annual pension cost for prior year	$ 514,367	$ 544,148
Annual contributions made for prior year	513,810	543,587
Increase (decrease) in net pension obligation (assets)	557	561
Net pension obligation (assets), beginning of year*	(102,872)	(103,433)
Net pension obligation (assets), end of year	$ (102,315)	$ (102,872)

Plan Funded Status – The County's funding status based upon the most recent actuarial valuation follows:

Schedule of Funding Progress

Measurement Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
12/31/2013	$ 8,151,734	$ 8,470,395	96.2%	$ 318,661	$ 4,578,302	7.0%

*The actuarial value of plan assets is increasing over time relative to the actuarial accrued liability for benefits.

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial Valuation Information – The County's actuarial valuation information is as follows:

Current Valuation Date	January 1, 2013
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	10 years
Actuarial Value of Assets	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.75%
Projected Salary Increases	5 % - 7.5% - based on age
Expected Annual Inflation	3.00%

3-J. Fund Equity

Fund Balances – Fund balances are classified as follows:

- ***Restricted*** – The following fund balances are legally restricted to specified purposes:

Major Capital Projects 2013 SPLOST Fund:	
Capital outlay	$ 2,438,433
Non-major Special Revenue Funds:	
Public Safety	$ 147,928
Non-major Capital Projects Fund:	
Capital outlay	$ 1

Net Investment in Capital Assets

Net investment in capital assets:	Governmental Activities
Cost of capital assets	$ 165,979,212
Lesss accumulated depreciation	116,166,823
Net investment in capital assets	$ 49,812,389

Note 4 - Other Notes

4-A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

Note 4 - Other Notes (Continued)

The County participated in the Georgia Inter-local Risk Management Agency Property and Liability Insurance and (GIRMA) and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

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 pools' 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 maintains a group health insurance plan through American National that carries a specific employee plan deductible of $50,000 individually and $90,000 County-wide. Claims up to that amount are paid by the County through the Murray County Benefits account, a self-insurance fund. The third party administrator reviews and approves all claims on behalf of the County.

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 December 31, 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.

4-C. Joint Ventures

North Georgia Regional Commission (RC) – The County, in conjunction with cities and counties in the thirteen-county northwest Georgia area are members of the North Georgia Regional Development Center (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RC's. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The RC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a County. The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RC's as "public agencies" and instrumentalities of their members.

Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources (O.C.G.A. 50-8-39.1).

Separately issued financial statements are available at the RC's administrative office.

4-D. Hotel/Motel Lodging Tax

Pursuant to an ordinance approved on June 27, 2005, the County levies a 3% lodging tax in accordance with O.C.G.A. 48-13-51 and expends 100% of the hotel/motel tax collections for the purpose of promoting tourism.

Note 4 - Other Notes (Continued)

A summary of the transactions for the year ended December 31, 2013 follows:

	Amounts	Percentage
Lodging tax receipts	$ 66,934	100%
Disbursements to:		
Murray County Chamber of Commerce	$ 66,934	100%

Murray County, Georgia
Required Supplementary Information
Employees' ACCG Retirement Plan
December 31, 2013

Schedule of Funding Progress

Fiscal Year Ending	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
12/31/2008	$ 4,991,173	$ 6,132,137	81.4%	$ 1,140,964	$ 5,138,894	22.2%
12/31/2009	5,587,000	6,901,543	81.0%	1,314,543	5,453,778	24.1%
12/31/2010	6,186,258	7,418,348	83.4%	1,232,090	5,612,543	22.0%
12/31/2011	6,704,628	8,038,757	83.4%	1,334,129	5,465,276	24.4%
12/31/2012	7,263,347	8,534,251	85.1%	1,270,904	5,284,397	24.1%
12/31/2013	8,151,734	8,470,395	96.2%	318,661	4,578,302	7.0%

Schedule of Employer Contributions

Fiscal Year Beginning	Annual Pension Cost	Employer Contribution	Percentage Contributed	Net Pension Obligation
1/1/2008	$ 449,809	$ 448,616	99.7%	$ (89,745)
1/1/2009	522,875	534,617	102.2%	(101,487)
1/1/2010	546,595	550,717	100.8%	(105,609)
1/1/2011	562,703	560,527	99.6%	(103,433)
1/1/2012	544,148	543,587	99.9%	(102,872)
1/1/2013	514,367	513,810	99.9%	(102,315)
1/1/2014	364,661	N/A	N/A	-

See notes to the basic financial statements for actuarial assumptions used in the above calculations.

Murray County, Georgia
General Fund
Comparative Balance Sheets
December 31, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 2,864,985	$ 3,470,626
Restricted cash	73,719	33,856
Receivables:		
Accounts	104,439	320,959
Property taxes	917,305	1,254,026
Sales taxes	263,012	311,605
Intergovernmental	46,334	-
Total Assets	$ 4,269,794	$ 5,391,072
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 156,663	$ 560,012
Accrued expenditures	236,712	199,096
Funds held in escrow	73,719	33,856
Total Liabilities	467,094	792,964
Deferred Inflows of Resources	333,444	958,214
Total Liabilities and Deferred Inflows of Resources	800,538	1,751,178
Fund Balances		
Unassigned	3,469,256	3,639,894
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 4,269,794	$ 5,391,072

Murray County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				
	Original Budget	Final Budget	Actual	Variance With Final Budget	Reclassified 2012 Actual
Revenues					
Taxes					
General property tax	$ 4,802,810	$ 4,802,810	$ 5,003,031	$ 200,221	$ 4,958,709
Timber tax	5,000	5,000	1,485	(3,515)	3,994
Motor vehicle title ad valorem tax	-	-	566,841	566,841	-
Motor vehicle	584,500	584,500	518,210	(66,290)	613,528
Mobile home	95,000	95,000	80,652	(14,348)	114,716
Recording intangibles tax	100,000	100,000	73,973	(26,027)	93,026
GTS fee	40,000	40,000	24,737	(15,263)	-
Railroad equipment tax	6,500	6,500	14,292	7,792	6,341
Real estate transfer tax	59,000	59,000	60,575	1,575	67,029
Insurance premium tax	1,575,000	1,575,000	1,598,484	23,484	1,537,981
Local option sales tax	3,333,697	3,333,697	3,222,890	(110,807)	3,687,963
Alcoholic beverage tax	170,000	170,000	160,992	(9,008)	170,162
Financial institutions tax	33,000	33,000	36,435	3,435	33,718
Franchise tax	183,000	183,000	148,508	(34,492)	182,917
Penalties and interest on delinquent taxes	187,500	187,500	192,635	5,135	218,104
Total Taxes	11,175,007	11,175,007	11,703,740	528,733	11,688,188
Licenses and Permits					
Zoning	2,700	2,700	2,296	(404)	2,632
Building permits	82,000	82,000	85,392	3,392	76,353
Total Licenses and Permits	84,700	84,700	87,688	2,988	78,985
Intergovernmental					
Tennessee Valley Authority	282,000	282,000	231,135	(50,865)	284,146
Federal payment in lieu of taxes	60,000	60,000	69,533	9,533	63,464
Greenhouse	-	-	10,388	10,388	85,803
DOT road grants	430,783	430,783	430,783	-	545,414
Total Intergovernmental	772,783	772,783	741,839	(30,944)	978,827
Charges for Services					
Indigent & Public Defense	1,000	1,000	1,607	607	1,023
Juvenile Court Fees	1,900	1,900	2,906	1,006	1,205
Printing and copies	6,900	6,900	6,919	19	5,469
Greenhouse	104,993	104,993	40,776	(64,217)	33,554
Sheriff	167,500	167,500	189,914	22,414	195,704
Jail	108,000	108,000	24,841	(83,159)	28,196
Senior center	32,000	32,000	36,427	4,427	33,040
Animal adoption	5,000	5,000	5,286	286	4,467
Culture and recreation	126,500	126,500	121,984	(4,516)	135,787
Transit	325,000	325,000	222,162	(102,838)	254,853
Landfill fees	24,000	24,000	14,016	(9,984)	26,621
Proceeds from sale of recycled materials	3,600	3,600	4,058	458	17,738
Paving and Equipment	7,000	7,000	16,185	9,185	8,300
Chattahoochee Forest Land	45,000	45,000	64,921	19,921	65,117
Gas Usage	19,000	19,000	-	(19,000)	-
Other	50	50	25	(25)	-
Total Charges for Services	977,443	977,443	752,027	(225,416)	811,074
Totals Carried Forward	$ 13,009,933	$ 13,009,933	$ 13,285,294	$ 275,361	$ 13,557,074

Murray County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources- Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				
	Original Budget	Final Budget	Actual	Variance With Final Budget	Reclassified 2012 Actual
Totals Brought Forward	$ 13,009,933	$ 13,009,933	$ 13,285,294	$ 275,361	$ 13,557,074
Fines and Forfeitures:					
Probation Fees	37,000	37,000	26,129	(10,871)	33,554
Superior court	291,000	291,000	164,599	(126,401)	224,450
Probate court	200,000	200,000	176,550	(23,450)	181,679
Magistrate court	121,000	121,000	404,363	283,363	116,552
Penalty - jail	54,000	54,000	37,475	(16,525)	44,776
Bonding Fees	30,000	30,000	27,640	(2,360)	32,440
Victim assistance	25,500	25,500	21,099	(4,401)	30,518
Total Fines and Forfeitures	758,500	758,500	857,855	99,355	663,969
Investment Earnings	5,025	5,025	-	(5,025)	4,108
Miscellaneous Revenues					
Contributions	33,000	33,000	13,842	(19,158)	34,247
Insurance Proceeds	-	-	31,457	31,457	365,570
Inmate phone commissions	35,000	35,000	15,832	(19,168)	28,458
Restitution	7,500	7,500	1,633	(5,867)	7,885
4H assistant	9,490	9,490	9,490	-	11,863
Board of Education mowing	30,000	30,000	40,559	10,559	35,201
Miscellaneous	496,900	496,900	6,103	(490,797)	46,562
Total Miscellaneous Revenues	611,890	611,890	118,916	(492,974)	529,786
Total Revenues	14,385,348	14,385,348	14,262,065	(123,283)	14,754,937
Other Financing Sources:					
Proceeds from the sale of noncapitalized capital assets	30,000	30,000	32,298	2,298	7,940
Total Revenues and Other Financing Sources	$ 14,415,348	$ 14,415,348	$ 14,294,363	$ (120,985)	$ 14,762,877

Murray County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				
	Original Budget	Final Budget	Actual	Variance With Final Budget	Reclassified 2012 Actual
General Government					
County commissioners	$ 246,460	$ 253,152	$ 253,152	$ -	$ 266,848
Board of elections	109,986	109,986	93,524	16,462	105,275
General administration	3,486,177	3,486,177	3,227,650	258,527	4,229,219
Tax commissioner	365,620	365,620	362,146	3,474	372,880
Tax assessor	326,500	326,500	261,058	65,442	331,960
Board of Equalization	20,500	22,081	22,081	-	15,735
Risk management	994,300	1,008,552	1,008,552	-	976,984
General government buildings	789,620	789,620	700,154	89,466	717,365
Total General Government	6,339,163	6,361,688	5,928,317	433,371	7,016,266
Judicial					
Superior court	189,686	189,686	177,015	12,671	190,616
Clerk of the superior court	289,710	289,710	273,454	16,256	279,607
District attorney	349,876	349,876	326,869	23,007	487,905
Magistrate court	230,120	230,120	218,821	11,299	234,381
Probate court	222,750	227,570	227,570	-	214,934
Juvenile court	143,008	143,008	135,254	7,754	136,307
Marshall's office	91,380	91,380	87,486	3,894	90,120
Total Judicial	1,516,530	1,521,350	1,446,469	74,881	1,633,870
Public Safety					
Sheriff	1,534,400	1,591,281	1,591,281	-	1,507,294
Jail	1,803,300	1,803,300	1,667,958	135,342	1,567,853
Fire department	1,005,400	1,005,400	999,481	5,919	912,889
Coroner	30,043	36,887	36,887	-	30,615
Animal control	172,000	172,000	159,314	12,686	180,507
Emergency management agency	21,775	21,775	18,007	3,768	15,505
Total Public Safety	4,566,918	4,630,643	4,472,928	157,715	4,214,663
Public Works					
Administration	1,440,675	1,440,675	1,107,504	333,171	1,016,192
Solid waste and recycling administration	229,200	229,836	229,836	-	226,132
Total Public Works	1,669,875	1,670,511	1,337,340	333,171	1,242,324
Totals carried forward	$ 14,092,486	$ 14,184,192	$ 13,185,054	$ 999,138	$ 14,107,123

(continued)

Murray County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				
	Original Budget	Final Budget	Actual	Variance With Final Budget	Reclassified 2012 Actual
Totals brought forward	$ 14,092,486	$ 14,184,192	$ 13,185,054	$ 999,138	$ 14,107,123
Health and Welfare					
Senior citizen's center	142,450	145,259	145,259	-	112,872
Transportation services	292,450	292,450	272,160	20,290	275,695
Total Health and Welfare	434,900	437,709	417,419	20,290	388,567
Culture and Recreation					
Recreation	555,000	555,000	514,915	40,085	487,421
Housing and Development					
Agricultural resources	73,943	73,943	71,452	2,491	64,550
Forest resources	6,664	6,867	6,867	-	6,664
Code enforcement	50,390	50,390	48,957	1,433	49,455
Building inspections	43,100	43,100	42,300	800	40,996
Land and use development	138,815	144,612	144,612	-	137,115
Community and economic development	3,050	3,050	721	2,329	-
Total Housing and Development	315,962	321,962	314,909	7,053	298,780
Total Expenditures	15,398,348	15,498,863	14,432,297	1,066,566	15,281,891
Other Financing Uses					
Transfers out	-	32,704	32,704	-	64,547
Total Expenditures and Other Financing Uses	$ 15,398,348	$ 15,531,567	$ 14,465,001	$ 1,066,566	$ 15,346,438

Murray County, Georgia
2007 SPLOST Fund
Comparative Balance Sheets
December 31, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ -	$ 697,279
Investments	-	2,368,404
Sales taxes receivable	-	370,510
Total Assets	$ -	$ 3,436,193
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 87,917
Fund Balances		
Restricted for:		
Capital projects	-	979,872
Debt service	-	2,368,404
Total Fund Balances	-	3,348,276
Total Liabilities and Fund Balances	$ -	$ 3,436,193

Murray County, Georgia
2007 SPLOST Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2013 and 2012

	2013	2012
Revenues		
Sales taxes	$ -	$ 4,360,381
Investment earnings	1,281	4,160
Total Revenues	1,281	4,364,541
Expenditures		
Intergovernmental	-	479,521
Capital Outlay	981,133	1,990,320
Debt Service:		
Principal	2,330,000	2,255,353
Interest	38,424	113,982
Total Expenditures	3,349,557	4,839,176
(Deficiency) of Revenues (Under) Expenditures	(3,348,276)	(474,635)
Fund Balances Beginning of Year	3,348,276	3,822,911
Fund Balances End of Year	$ -	$ 3,348,276

Murray County, Georgia
2013 SPLOST Fund
Comparative Balance Sheets
December 31, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 2,209,653	$ -
Investments	-	-
Sales taxes receivable	269,314	-
Total Assets	$ 2,478,967	$ -
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 40,534	$ -
Fund Balances		
Restricted for:		
Capital projects	2,438,433	-
Debt service	-	-
Total Fund Balances	2,438,433	-
Total Liabilities and Fund Balances	$ 2,478,967	$ -

Murray County, Georgia
2013 SPLOST Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2013 and 2012

	2013	2012
Revenues		
Sales taxes	$ 3,730,644	$ -
Investment earnings	2,454	-
Total Revenues	3,733,098	-
Expenditures		
Intergovernmental	466,646	-
Capital Outlay	828,019	-
Total Expenditures	1,294,665	-
Excess of Revenues Over Expenditures	2,438,433	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ 2,438,433	$ -

Murray County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 58,061	$ 1	$ 58,062
Accounts receivable	121,188	-	121,188
Total Assets	$ 179,249	$ 1	$ 179,250
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 9,996	$ -	$ 9,996
Accrued expenditures	21,325	-	21,325
Total Liabilities	31,321	-	31,321
Fund Balances			
Restricted	147,928	1	147,929
Total Liabilities and Fund Balances	$ 179,249	$ 1	$ 179,250

Murray County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Taxes	$ 66,934	$ -	$ 66,934
Intergovernmental	87,780	23,000	110,780
Charges for services	558,465	-	558,465
Fines and forfeitures	139,690	-	139,690
Investment earnings	1	-	1
Total Revenues	852,870	23,000	875,870
Expenditures			
Current:			
General government	250	-	250
Judicial	7,285	-	7,285
Public safety	799,158	-	799,158
Housing and development	66,934	23,006	89,940
Total Expenditures	873,627	23,006	896,633
(Deficiency) of Revenues (Under) Expenditures	(20,757)	(6)	(20,763)
Other Financing Sources			
Transfers in	32,704	-	32,704
Net Change in Fund Balances	11,947	(6)	11,941
Fund Balances Beginning of Year	135,981	7	135,988
Fund Balances End of Year	$ 147,928	$ 1	$ 147,929

Murray County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Law Library	Confiscated Assets	E-911	Substance Abuse	Hotel Motel	Total Nonmajor Special Revenue Funds
Assets						
Cash and cash equivalents	$ 3,373	$ 52,340	$ -	$ 2,348	$ -	$ 58,061
Accounts receivable	-	-	114,477	-	6,711	121,188
Total Assets	$ 3,373	$ 52,340	$ 114,477	$ 2,348	$ 6,711	$ 179,249
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ -	$ -	$ 3,285	$ -	$ 6,711	$ 9,996
Accrued expenditures	-	-	21,325	-	-	21,325
Total Liabilities	-	-	24,610	-	6,711	31,321
Fund Balances						
Restricted	3,373	52,340	89,867	2,348	-	147,928
Total Liabilities and Fund Balances	$ 3,373	$ 52,340	$ 114,477	$ 2,348	$ 6,711	$ 179,249

Murray County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Law Library	Confiscated Assets	E-911	Multi-grant	Substance Abuse	Hotel Motel	Nonmajor Special Revenue Funds
Revenues							
Taxes	$ -	$ -	$ -	$ -	$ -	$ 66,934	$ 66,934
Intergovernmental	-	-	74,017	13,763	-	-	87,780
Charges for services	-	-	558,465	-	-	-	558,465
Fines and forfeitures	9,209	101,385	-	-	29,096	-	139,690
Investment earnings	1	-	-	-	-	-	1
Total Revenues	9,210	101,385	632,482	13,763	29,096	66,934	852,870
Expenditures							
Current:							
General government	-	-	-	250	-	-	250
Judicial	7,285	-	-	-	-	-	7,285
Public safety	-	97,275	658,964	13,513	29,406	-	799,158
Housing and development	-	-	-	-	-	66,934	66,934
Total Expenditures	7,285	97,275	658,964	13,763	29,406	66,934	873,627
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,925	4,110	(26,482)	-	(310)	-	(20,757)
Other Financing Sources							
Transfers in	-	-	32,704	-	-	-	32,704
Net Change in Fund Balances	1,925	4,110	6,222	-	(310)	-	11,947
Fund Balances Beginning of Year	1,448	48,230	83,645	-	2,658	-	135,981
Fund Balances End of Year	$ 3,373	$ 52,340	$ 89,867	$ -	$ 2,348	$ -	$ 147,928

Murray County, Georgia
Law Library Fund
Comparative Balance Sheets
December 31, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 3,373	$ 1,448
Fund Balances		
Restricted for law library	$ 3,373	$ 1,448

Murray County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$ 10,000	$ 10,000	$ 9,209	$ (791)	$ 5,013
Investment earnings	-	-	1	1	2
Total Revenues	10,000	10,000	9,210	(790)	5,015
Expenditures					
Current:					
Judicial	10,000	10,000	7,285	2,715	4,671
Excess of Revenues Over Expenditures	$ -	$ -	1,925	$ 1,925	344
Fund Balances Beginning of Year			1,448		1,104
Fund Balances End of Year			$ 3,373		$ 1,448

Murray County, Georgia
Confiscated Assets Fund
Comparative Balance Sheets
December 31, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 52,340	$ 48,230
Fund Balances		
Restricted for public safety	$ 52,340	$ 48,230

Murray County, Georgia
Confiscated Assets Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$ 40,000	$ 40,000	$ 101,385	$ 61,385	$ 85,068
Investment earnings	-	-	-	-	5
Total Revenues	40,000	40,000	101,385	61,385	85,073
Expenditures					
Current:					
Public safety	40,000	40,000	97,275	(57,275)	79,319
Excess of Revenues Over Expenditures	$ -	$ -	4,110	$ 4,110	5,754
Fund Balances Beginning of Year			48,230		42,476
Fund Balances End of Year			$ 52,340		$ 48,230

Murray County, Georgia
E-911 Fund
Comparative Balance Sheets
December 31, 2013 and 2012

	2013	2012
Assets		
Accounts receivable	$ 114,477	$ 110,415
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 3,285	$ 9,532
Accrued expenditures payable	21,325	17,238
Total Liabilities	24,610	26,770
Fund Balances		
Restricted for public safety	89,867	83,645
Total Liabilities and Fund Balances	$ 114,477	$ 110,415

Murray County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	$ 1,284,700	$ 1,284,700	$ 558,465	$ (726,235)	$ 619,517
Intergovernmental	15,000	15,000	74,017	59,017	-
Total Revenues	1,299,700	1,299,700	632,482	(667,218)	619,517
Expenditures					
Current:					
Public safety	1,299,700	1,299,700	658,964	640,736	688,224
(Deficiency) of Revenues (Under) Expenditures	-	-	(26,482)	(26,482)	(68,707)
Other Financing Sources					
Transfers in	-	-	32,704	32,704	64,547
Net Change in Fund Balances	$ -	$ -	6,222	$ 6,222	(4,160)
Fund Balances Beginning of Year			83,645		87,805
Fund Balances End of Year			$ 89,867		$ 83,645

Murray County, Georgia
Multi-grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 14,000	$ 14,000	$ 13,763	$ (237)	$ 88,879
Expenditures					
Current:					
General government	4,000	4,000	250	3,750	
Public safety	10,000	10,000	13,513	(3,513)	88,879
Total Expenditures	14,000	14,000	13,763	237	88,879
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

Murray County, Georgia
Substance Abuse Fund
Comparative Balance Sheets
December 31, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 2,348	$ 2,658
Fund Balances		
Restricted for public safety	$ 2,348	$ 2,658

Murray County, Georgia
Substance Abuse Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$ 27,000	$ 27,000	$ 29,096	$ 2,096	$ 20,071
Investment earnings	-	-	-	-	6
Total Revenues	27,000	27,000	29,096	2,096	20,077
Expenditures					
Current:					
Public safety	27,000	27,000	29,406	(2,406)	25,064
(Deficiency) or Revenues (Under) Expenditures	$ -	$ -	(310)	$ (310)	(4,987)
Fund Balances Beginning of Year			2,658		7,645
Fund Balances End of Year			$ 2,348		$ 2,658

Murray County, Georgia
Hotel Motel Fund
Comparative Balance Sheets
December 31, 2013 and 2012

	2013	2012
Assets		
Accounts receivable	$ 6,711	$ 4,221
Liabilities		
Accounts payable	$ 6,711	$ 4,221

Murray County, Georgia
Hotel Motel Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Hotel motel taxes	$ 60,000	$ 60,000	$ 66,934	$ 6,934	$ 69,086
Expenditures					
Current:					
Housing and development	60,000	60,000	66,934	(6,934)	69,086
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

Murray County, Georgia
Chip 2007 Fund
Comparative Balance Sheets
December 31, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 1	$ 7
Fund Balances		
Restricted for capital projects	$ 1	$ 7

Murray County, Georgia
Chip 2007 Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2013 and 2012

	2013	2012
Revenues		
Intergovernmental	$ 23,000	$ 51,000
Expenditures		
Current:		
Housing and development	23,006	51,063
(Deficiency) of Revenues (Under) Expenditures	(6)	(63)
Fund Balances Beginning of Year	7	70
Fund Balances End of Year	$ 1	$ 7

Murray County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended December 31, 2013

Tax Commissioner Fund	Balance January 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2013
Assets					
Cash and cash equivalents	$ 48,346	$ 16,250,980	$ 15,748,314	$ 187,535	$ 363,477
Liabilities					
Interfund payable	$ -	$ 4,722,322	$ 4,534,787	$ 187,535	$ -
Due to others	48,346	11,528,658	11,213,527	-	363,477
Total Liabilities	$ 48,346	$ 16,250,980	$ 15,748,314	$ 187,535	$ 363,477

Clerk of Superior Court Fund	Balance January 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2013
Assets					
Cash and cash equivalents	$ 250,650	$ 1,618,617	$ 1,590,694	$ 20,669	$ 257,904
Liabilities					
Interfund payable	$ -	$ 326,568	$ 305,899	$ 20,669	$ -
Due to others	250,650	1,292,049	1,284,795	-	257,904
Total Liabilities	$ 250,650	$ 1,618,617	$ 1,590,694	$ 20,669	$ 257,904

Sheriff Fund	Balance January 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2013
Assets					
Cash and cash equivalents	$ 23,019	$ 176,228	$ 160,695	$ 3,727	$ 34,825
Liabilities					
Interfund payable	$ -	$ 74,860	$ 71,133	$ 3,727	$ -
Due to others	23,019	101,368	89,562	-	34,825
Total Liabilities	$ 23,019	$ 176,228	$ 160,695	$ 3,727	$ 34,825

(Continued)

Murray County, Georgia
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
For The Year Ended December 31, 2013

(Continued)

Probate Court Fund	Balance January 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2013
Assets					
Cash and cash equivalents	$ 26,198	$ 363,403	$ 367,495	$ 20,871	$ 1,235
Liabilities					
Interfund payable	$ -	$ 266,365	$ 245,494	$ 20,871	$ -
Due to others	26,198	97,038	122,001	-	1,235
Total Liabilities	$ 26,198	$ 363,403	$ 367,495	$ 20,871	$ 1,235

Magistrate Court Fund	Balance January 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2013
Assets					
Cash and cash equivalents	$ 53,203	$ 409,234	$ 391,023	$ 17,870	$ 53,544
Liabilities					
Interfund payable	$ -	$ 188,789	$ 170,919	$ 17,870	$ -
Due to others	53,203	220,445	220,104	-	53,544
Total Liabilities	$ 53,203	$ 409,234	$ 391,023	$ 17,870	$ 53,544

Total	Balance January 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2013
Assets					
Cash and cash equivalents	$ 401,416	$ 18,818,462	$ 18,258,221	$ 250,672	$ 710,985
Liabilities					
Interfund payable	$ -	$ 5,578,904	$ 5,328,232	$ 250,672	$ -
Due to others	401,416	13,239,558	12,929,989	-	710,985
Total Liabilities	$ 401,416	$ 18,818,462	$ 18,258,221	$ 250,672	$ 710,985

R.M. DOBBS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 423
CALHOUN, GEORGIA 30703-0423
706-629-4511

JERRY L. CLEMENTS, C.P.A.
LOUISE McGOWAN, C.P.A.
JUDY M. FAGAN, C.P.A.
JAN C. GOBLE, C.P.A.
MITZI B. POWELL, C.P.A.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Commissioner
of Murray County
Chatsworth, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Murray County, Georgia, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Murray County, Georgia's basic financial statements and have issued our report thereon dated January 12, 2015. Our report includes a reference to the other auditors who audited the financial statements of the Hospital Authority and the Department of Public Health, as described in our report on Murray County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Murray County, Georgia'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 Murray County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Murray County, Georgia's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

R. M. Dobbs & Company

Calhoun, Georgia
January 12, 2015

Murray County, Georgia
Schedule of Expenditures of Special Purpose
Local Option Sales Tax
From Inception and for the Year Ended December 31, 2013

SPLOST Projects	Expenditures					Estimated % of Completion
	Original	Current	Prior Years	Current Year	Total	
SPLOST 2013						
Roads & Bridges:						
Infrastructure	$ 8,724,300	$ 8,724,300	$ -	$ 108,585	$ 108,585	1%
Road construction equipment/vehicles	1,077,000	1,077,000	-	-	-	0%
Total Road & Bridges, Water & Sewer	9,801,300	9,801,300	-	108,585	108,585	
Other Projects:						
Fire Department (Spring Place)	810,000	810,000	-	-	-	0%
Emergency Center Fire Department 1	24,100	24,100	-	-	-	0%
Recreation buildings and equipment	705,000	705,000	-	-	-	0%
Hospital equipment and debt reduction	6,232,400	6,232,400	-	540,842	540,842	9%
Communication/Technical System	842,900	842,900	-	8,331	8,331	1%
Public safety vehicles and equipment	3,381,000	3,381,000	-	2,858	2,858	0%
Economic Development Projects	200,000	200,000	-	2,000	2,000	1%
General Buildings and equipment	1,628,300	1,628,300	-	165,403	165,403	10%
Total Other Projects	13,823,700	13,823,700	-	719,434	719,434	
Contractual Payments:						
City of Chatsworth	2,835,000	2,835,000	-	392,033	392,033	14%
City of Eton	540,000	540,000	-	74,613	74,613	14%
	3,375,000	3,375,000	-	466,646	466,646	
	$ 27,000,000	$ 27,000,000	$ -	$ 1,294,665	$ 1,294,665	
SPLOST 2007						
Roads & Bridges:						
Infrastructure	$ 7,850,000	$ 7,850,000	$ 1,602,480	$ 317,606	$ 1,920,086	24%
Road construction equipment/vehicles	610,000	610,000	535,129	-	535,129	88%
Total Road & Bridges, Water & Sewer	8,460,000	8,460,000	2,137,609	317,606	2,455,215	
Other Projects:						
Recreation Facilities	2,400,000	2,400,000	3,358,008	34,445	3,392,453	141%
Waste collection sites (improvements/acquisition)	200,000	200,000	102,857	16,427	119,284	60%
Fire safety improvements and equipment	2,500,000	2,500,000	1,630,835	97,301	1,728,136	69%
Detention Center expansion	9,850,000	9,850,000	11,835,516	41,971	11,877,487	121%
Jail & Sheriff improvements & equipment	1,275,000	1,275,000	547,558	251,794	799,352	63%
Library expansion	350,000	350,000	324,648	-	324,648	93%
Elections facility	480,000	480,000	28,609	3,470	32,079	7%
Senior center expansion	250,000	250,000	334,807	2,210	337,017	135%
County building improvements	350,000	350,000	173,451	60,094	233,545	67%
Hospital equipment	475,000	475,000	840,532	155,815	996,347	210%
Buildings' record storage capacity	42,000	42,000	15,655	-	15,655	37%
Rescue equipment and facility enhanced	50,000	50,000	9,777	-	9,777	20%
911 Center Communication Equipment	18,000	18,000	34,316	-	34,316	191%
Total Other Projects	18,240,000	18,240,000	19,236,569	663,527	19,900,096	
Contractual Payments:						
City of Chatsworth	3,000,030	3,000,030	2,619,145	-	2,619,145	87%
City of Eton	299,970	299,970	261,916	-	261,916	87%
	3,300,000	3,300,000	2,881,061	-	2,881,061	
	$ 30,000,000	$ 30,000,000	$ 24,255,239	$ 981,133	$ 25,236,372	
Reconciliation to SPLOST fund						
Debt Service for SPLOST projects				2,368,424		
Total Expenditures in SPLOST fund				$ 3,349,557		