OGLETHORPE COUNTY, GEORGIA



ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

OGLETHORPE COUNTY, GEORGIA

AUDIT REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2013

OGLETHORPE COUNTY, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Oglethorpe County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oglethorpe 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.

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 Oglethorpe County Board of Health, which represents 100 percent of the assets, net position, and revenues of the component unit of Oglethorpe County, Georgia. 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 Oglethorpe County Board of Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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

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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 business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oglethorpe County, Georgia, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison information for the General Fund for the year then ended in conformity 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 schedule of funding progress on pages 4-10 and 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements, the budgetary comparison schedules and schedule of projects constructed with special sales tax proceeds are the responsibility of management and was derived from and relates 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules and schedule of projects constructed with special sales tax proceeds 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 June 9, 2014 on our consideration of Oglethorpe County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Oglethorpe County, Georgia's internal control over financial reporting and compliance.

Macon, Georgia
June 9, 2014

MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2013.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities as of December 31, 2013, by $29,322,118 (net position).
- As of December 31, 2013, total net position consisted of $14,574,642 investment in capital assets, $1,087,868 restricted, and $13,659,608 unrestricted.
- As of December 31, 2013, the County's governmental funds reported ending fund balance of $13,514,911 an increase of $100,840 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods, such as earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through administrative fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation and conservation of natural resources. The landfill is the sole business-type activity of the County.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of a government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

For the year ended December 31, 2013, the County had the following governmental funds, the General Fund, five Special Revenue Funds and three Capital Projects Funds.

The County adopts an annual appropriated budget for the General Fund and Special Revenue Funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

Proprietary Funds

The County maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County used the enterprise fund to account for the activities of the Landfill Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds

Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Individual fund data for the fiduciary funds is provided in the form of both combining statements and individual fund statements elsewhere in this report.

The basic fiduciary fund financial statement can be found on page 23 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $29,322,118 at the close of the most recent year.

A significant portion of the County's net position reflects its investment in capital assets. As of December 31, 2013, the investment consists of $21,913,561 in assets and accumulated depreciation of $7,338,919.

An additional portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations.

For the year ended December 31, 2013, capital assets decreased $554,584 net. Noncurrent liabilities increased 101,859 as of December 31, 2013, compared to 2012. The increase in the noncurrent liabilities is due primarily to an increase in the landfill closure and post-closure costs.

	Governmental Activities		Business-type Activities		Total	
	Net Position	Net Position	Net Position	Net Position	Net Position	Net Position
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	$ 14,390,684	$ 14,345,678	$ 2,463,418	$ 2,366,763	$ 16,854,102	$ 16,712,441
Capital assets	14,298,172	14,828,451	276,470	300,775	14,574,642	15,129,226
Noncurrent assets	676,977	680,668	-	-	676,977	680,668
Total assets	29,365,833	29,854,797	2,739,888	2,667,538	32,105,721	32,522,335
Liabilities						
Current and other liabilities	712,803	795,588	6,812	14,701	719,615	810,289
Noncurrent liabilities	5,749	5,903	2,058,239	1,956,226	2,063,988	1,962,129
Total liabilities	718,552	801,491	2,065,051	1,970,927	2,783,603	2,772,418
Net position						
Investment in capital assets	14,298,172	14,828,451	276,470	300,775	14,574,642	15,129,226
Restricted	1,087,868	1,531,098	-	-	1,087,868	1,531,098
Unrestricted	13,261,241	12,693,757	398,367	395,836	13,659,608	13,089,593
Total net position	$ 28,647,281	$ 29,053,306	$ 674,837	$ 696,611	$ 29,322,118	$ 29,749,917

	Governmental Activities		Business-type Activities		Total	
	Changes in Net Position	Changes in Net Position	Changes in Net Position	Changes in Net Position	Changes in Net Position	Changes in Net Position
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues						
Charges for services	$ 1,825,370	$ 1,683,469	$ 295,143	$ 291,169	$ 2,120,513	$ 1,974,638
Operating grants and contribution	32,003	11,102	-	-	32,003	11,102
Capital grants and contributions	400,272	421,224	-	-	400,272	421,224
General revenues						
Property taxes	2,932,850	3,063,351	-	-	2,932,850	3,063,351
Other taxes	2,633,025	2,575,500	-	-	2,633,025	2,575,500
Interest revenue	45,082	71,658	13,160	17,447	58,242	89,105
Gain on sale of assets	-	-	-	-	-	-
Other	78,901	24,675	-	-	78,901	24,675
Total Revenues	7,947,503	7,850,979	308,303	308,616	8,255,806	8,159,595
Expenses						
General government	1,122,140	1,016,401	-	-	1,122,140	1,016,401
Public safety	2,959,606	2,616,818	-	-	2,959,606	2,616,818
Public works	2,013,598	1,567,714	-	-	2,013,598	1,567,714
Courts	719,928	1,089,223	-	-	719,928	1,089,223
Health and welfare	1,227,546	1,116,884	-	-	1,227,546	1,116,884
Culture and recreation	345,334	335,957	-	-	345,334	335,957
Landfill	-	-	295,453	244,775	295,453	244,775
Total Expenses	8,388,152	7,742,997	295,453	244,775	8,683,605	7,987,772
Increase (decrease) in net position before transfers	(440,649)	107,982	12,850	63,841	(427,799)	171,823
Transfers	34,624	65,000	(34,624)	(65,000)	-	-
Increase (decrease) in net position	(406,025)	172,982	(21,774)	(1,159)	(427,799)	171,823
Net position beginning of year	29,053,306	28,880,324	696,611	697,770	29,749,917	29,578,094
Net position ending	$ 28,647,281	$ 29,053,306	$ 674,837	$ 696,611	$ 29,322,118	$29,749,917

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of December 31, 2013, the County's governmental funds reported ending fund balance of $13,514,911. Of this balance, $11,874,729 constitutes unassigned fund balance, which is available for spending at the government's discretion. $56,017 is nonspendable fund balance related to inventory and prepaid items. $1,087,868 is restricted fund balance and the remainder of fund balance of $496,297 is assigned to indicate that it is not available for new spending because $434,145 is assigned to the 2014 budget, $61,852 is assigned for recreational purposes, and $300 is assigned for road improvements.

The general fund is the operating fund of the County. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 151 percent of total governmental fund expenditures.

The fund balance of the County's governmental funds increased $100,840 during the current year. The County adopts a budget for the general fund and special revenue funds each year and works diligently to stay within the annual budget.

Proprietary Funds

The activities of the County that render services to the general public on a user charge basis are accounted for in the proprietary funds. The Proprietary Fund statements provide the same type of information found in the government-wide statements, but in more detail.

The Landfill fund accounts for the operation of the County's Landfill. The net position for the proprietary funds decreased by $21,774, primarily due to declines in interest earnings.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County continues to conservatively budget revenues and FY 2013 actual revenues exceeded the budgetary estimates by approximately $319,000 while total expenditures for FY 2013 were less than budget by over $800,000. The improvement was a result of efforts by County departments and constitutional officers to remain within their budgetary limits.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2013 amounts to $14,574,642 net of accumulated depreciation. The investment in capital assets consists primarily of land, buildings, and machinery and equipment. For the current year, the investment in capital assets decreased $554,584. The net change is primarily the result of capital acquisitions of $597,708, and depreciation expense of $1,145,947. See Note 8 in the Notes to the Financial Statements for more detail on capital assets.

	Governmental Activities	Business-Type Activities	Total
Land	$ 1,090,167	$ 231,160	$ 1,321,327
Building	9,242,743	-	9,242,743
Furniture and Fixtures	439,849	17,293	457,142
Machinery and equipment	2,782,449	243,056	3,025,505
Infrastructure	6,626,596	-	6,626,596
Vehicles	1,182,695	-	1,182,695
Land Improvements	57,553	-	57,553
Accumulated depreciation	(7,123,880)	(215,039)	(7,338,919)
Total	$ 14,298,172	$ 276,470	$ 14,574,642

Noncurrent Debt

As of December 31, 2013, the County's noncurrent debt consisted of compensated absences and landfill closure. See Note 9 in the Notes to the Financial Statements for more detail on noncurrent liabilities.

ECONOMIC FACTORS –

During the year 2013, notable events were as follows:

The County conducted a complete revaluation of agricultural properties in 2013. Agricultural properties represent roughly 50% of the County's digest. As a result of the agricultural revaluation the gross digest was down 13.4%. However, since a large portion of agricultural property is in CUVA and FPLA (exemption programs), the net digest was down 4.7%. The County anticipates little change in the 2014 digest.

The County continues to experience sales tax revenue leakage to neighboring Counties. Only an estimated 42% of the total sales taxes paid by County residents remain within the County. Management continues to pursue an effort to generate point-of-sale transactions inside the jurisdiction. As a part of that effort, in 2013, the County initiated a branding study that will help determine the desires of the community and give clear direction for the future of the County. Economic improvement has been identified as a priority as a result of the branding survey. The County is more aggressively pursuing those industries that fit the community's desire. Currently there are strong possibilities that, if successful, would have a significant impact on the digest and the County's economic position.

Transition from a defined benefit plan (DB) to a defined contribution plan for new employees continues to aid in the reduction of volatility associated with a defined benefit plan. The existing Defined Benefit Plan for employees hired prior to 2012 is currently performing positively as a result of stock market performance. Unfunded or deferred liability associated with the DC plan is expected to be greater than 100% (completely funded). Further, the County also remains committed to avoiding other forms of debt and long term obligations.

The failure of the TSPLOST has resulted in a 30% match required in order to receive state transportation aid. As a result of the 30% penalty, the 2014 LMIG submission required a local matching contribution of $127,584. Future state aid penalties will have a similar monetary match requirement.

HB 386, which replaces property tax and sales tax on vehicles with a new title tax (TAVT), has provided a slight net increase in the total revenue. Management continues to evaluate the effect of HB 386 monthly and makes comparisons to pre-HB 386 collections.

Population estimates have held steady or slightly decreased since the 2010 census (Census Bureau). Local unemployment rates remain near 6%, below the state average and even with the regional average (BLS).

For the 5th consecutive year, the millage rate remained stable. Since 2009, the millage rate has fluctuated by less than 0.02 mills. This stability, in a period of volatile economic conditions on a national level, demonstrates a sustainable and durable local balance between taxpayer willingness to pay for services and the level of service provided.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ms. Amy Forrester, County Clerk, P.O. Box 261, Lexington, Georgia 30648.

FINANCIAL STATEMENTS

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Health
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 10,719,305	$ 674,153	$ 11,393,458	$ 205,212
Certificates of deposit	3,015,129	1,753,018	4,768,147	-
Receivables, net of allowance				
Taxes	404,296	-	404,296	-
Accounts	65,884	25,989	91,873	16,989
Accrued interest	5,725	3,765	9,490	-
Due from other governments	130,821	-	130,821	9,368
Interfund	(6,493)	6,493	-	-
Prepaid items	-	-	-	-
Inventory	56,017	-	56,017	-
Total current assets	14,390,684	2,463,418	16,854,102	231,569
Noncurrent assets:				
Other assets	676,977	-	676,977	-
Nondepreciable assets	1,090,167	231,160	1,321,327	-
Depreciable assets, net	13,208,005	45,310	13,253,315	4,204
Total noncurrent assets	14,975,149	276,470	15,251,619	4,204
Total Assets	29,365,833	2,739,888	32,105,721	235,773
LIABILITIES				
Accounts payable	85,705	783	86,488	7,265
Accrued salaries and benefits	164,411	3,720	168,131	-
Unearned revenue	430,109	-	430,109	-
Noncurrent liabilities:				
Due within one year	32,578	2,309	34,887	4,638
Due in more than one year	5,749	2,058,239	2,063,988	10,185
Total Liabilities	718,552	2,065,051	2,783,603	22,088
NET POSITION				
Investment in capital assets	14,298,172	276,470	14,574,642	4,204
Restricted for				
Capital outlay	653,251	-	653,251	-
Other restrictions	434,617	-	434,617	-
Unrestricted	13,261,241	398,367	13,659,608	209,481
Total Net Position	$ 28,647,281	$ 674,837	$ 29,322,118	$ 213,685

The notes to the financial statements are an integral part of this statement.

OGLETHORPE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Board of Health
Primary Government:								
Governmental Activities								
General government	$ 1,122,140	$ 696,356	$ 7,582	$ -	$ (418,202)	$ -	$ (418,202)	
Public safety	2,959,606	783,517	24,421	-	(2,151,668)	-	(2,151,668)	
Public works	2,013,598	47,976	-	400,272	(1,565,350)	-	(1,565,350)	
Judicial	719,928	-	-	-	(719,928)	-	(719,928)	
Health and welfare	1,227,546	155,536	-	-	(1,072,010)	-	(1,072,010)	
Culture and recreation	345,334	141,985	-	-	(203,349)	-	(203,349)	
Total governmental activities	8,388,152	1,825,370	32,003	400,272	(6,130,507)	-	(6,130,507)	
Business-type Activities								
Landfill	295,453	295,143	-	-	-	(310)	(310)	
Total business-type activities	295,453	295,143	-	-	-	(310)	(310)	
Total Primary Government	$ 8,683,605	$ 2,120,513	$ 32,003	$ 400,272	(6,130,507)	(310)	(6,130,817)	
Component Units:								
Board of Health	$ 355,748	$ 109,016	$ 294,883	$ -				$ 48,151
Total Component Units	$ 355,748	$ 109,016	$ 294,883	$ -				48,151
General Revenues								
Property tax					2,932,850	-	2,932,850	-
Sales tax					1,274,047	-	1,274,047	-
Other tax					736,224	-	736,224	-
Insurance premium tax					615,727	-	615,727	-
Real estate transfer tax					7,027	-	7,027	-
Interest revenue					45,082	13,160	58,242	39
Miscellaneous					78,901	-	78,901	-
Total General Revenues					5,689,858	13,160	5,703,018	39
Transfers					34,624	(34,624)	-	-
Total General Revenues and Transfers					5,724,482	(21,464)	5,703,018	39
Change in Net Position					(406,025)	(21,774)	(427,799)	48,190
Net Position - Beginning of Year					29,053,306	696,611	29,749,917	165,495
Net Position - End of Year					$ 28,647,281	$ 674,837	$29,322,118	$ 213,685

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	General Fund	2007 SPLOST	LMIG	2012 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 9,303,055	$ 31,229	$ 428,254	$ 568,212	$ 388,555	$10,719,305
Certificates of deposit	3,000,000	-	-	-	15,129	3,015,129
Receivables, net of allowance						
Taxes	347,194	-	-	57,102	-	404,296
Accounts	24,758	-	-	-	41,126	65,884
Accrued interest	5,725	-	-	-	-	5,725
Due from other governments	130,821	-	-	-	-	130,821
Due from other funds	1,591	-	-	-	-	1,591
Inventory	56,017	-	-	-	-	56,017
Total Assets	$12,869,161	$ 31,229	$ 428,254	$ 625,314	$ 444,810	$14,398,768
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 81,031	$ -	$ -	$ 3,292	$ 1,382	$ 85,705
Accrued payroll deductions	155,600	-	-	-	8,811	164,411
Due to other funds	6,493	-	1,591	-	-	8,084
Unearned revenues	3,746	-	426,363	-	-	430,109
Total Liabilities	246,870	-	427,954	3,292	10,193	688,309
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	195,548	-	-	-	-	195,548
Total Deferred Inflows of Resources	195,548	-	-	-	-	195,548
Fund Balances:						
Nonspendable	56,017	-	-	-	-	56,017
Restricted	-	31,229	-	622,022	434,617	1,087,868
Assigned	495,997	-	300	-	-	496,297
Unassigned	11,874,729	-	-	-	-	11,874,729
Total Fund Balances	12,426,743	31,229	300	622,022	434,617	13,514,911
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$12,869,161	$ 31,229	$ 428,254	$ 625,314	$ 444,810	$14,398,768

The notes to the financial statements are an integral part of this statement.

OGLETHORPE COUNTY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2013

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances - Governmental Funds	$ 13,514,911
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	14,298,172
The net pension asset is not an available resource and, therefore, is not reported in the funds.	676,977
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	195,548
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(38,327)
Net Position of Governmental Activities	$ 28,647,281

The notes to the financial statements are an integral part of this statement.

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	2007 SPLOST	LMIG	2012 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 4,658,060	$ -	$ -	$ 674,162	$ -	$ 5,332,222
License and permits	62,440	-	-	-	-	62,440
Intergovernmental revenue	14,609	24,421	399,847	-	-	438,877
Charges for services	1,108,995	-	-	-	224,996	1,333,991
Fines and forfeitures	585,626	-	-	-	43,858	629,484
Interest income	44,400	425	265	-	417	45,507
Other revenues	78,901	-	-	-	-	78,901
Total Revenues	6,553,031	24,846	400,112	674,162	269,271	7,921,422
Expenditures:						
Current:						
General government	1,015,378	22,096	-	6,848	3,173	1,047,495
Judicial	720,063	-	-	-	-	720,063
Public safety	2,167,948	4,245	-	-	389,311	2,561,504
Public works	550,007	276,124	399,847	78,708	-	1,304,686
Health and welfare	1,233,529	-	-	-	-	1,233,529
Culture and recreation	289,592	30,864	-	16,728	-	337,184
Capital Outlay	-	508,904	-	141,841	-	650,745
Total Expenditures	5,976,517	842,233	399,847	244,125	392,484	7,855,206
Excess (Deficiency) of Revenues Over (Under) Expenditures	576,514	(817,387)	265	430,037	(123,213)	66,216
Other Financing Sources (Uses):						
Transfers from other funds	34,624	-	-	-	59,622	94,246
Transfers to other funds	(59,622)	-	-	-	-	(59,622)
Total other financing sources (uses)	(24,998)	-	-	-	59,622	34,624
Net change in fund balances	551,516	(817,387)	265	430,037	(63,591)	100,840
Fund Balance, beginning of year	11,875,227	848,616	35	191,985	498,208	13,414,071
Fund Balance, end of year	$ 12,426,743	$ 31,229	$ 300	$ 622,022	$ 434,617	$ 13,514,911

The notes to the financial statements are an integral part of this statement.

OGLETHORPE 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

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds	$	100,840
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		(523,934)
The net effect of various miscellaneous transactions involving capital assets (i.e. donations, annexing) is to increase net position.		(6,345)
Net pension asset is not available during the current period and therefore, is not reported in the funds.		(3,691)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		1,024
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		26,081
Change in Net Position of Governmental Activities	$	(406,025)

The notes to the financial statements are an integral part of this statement.

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes				
Property taxes	$ 2,696,376	$ 2,696,376	$ 2,590,705	$ (105,671)
Sales tax	663,822	663,822	599,885	(63,937)
Motor vehicle taxes	300,000	300,000	549,151	249,151
Insurance premium taxes	554,537	554,537	615,727	61,190
Alcoholic beverage taxes	75,000	75,000	63,536	(11,464)
Recording intangibles	42,000	42,000	58,077	16,077
Penalties and interest	-	-	115,519	115,519
Other taxes	60,300	60,300	65,460	5,160
Licenses and permits	52,700	52,700	62,440	9,740
Intergovernmental revenues	24,888	24,888	14,609	(10,279)
Charges for services	1,000,339	1,047,339	1,108,995	61,656
Fines and forfeitures	545,000	545,000	585,626	40,626
Investment earnings	100,600	100,600	44,400	(56,200)
Miscellaneous	70,940	70,940	78,901	7,961
Total Revenues	6,186,502	6,233,502	6,553,031	319,529
Expenditures:				
Current:				
General government				
General administration	130,000	-	-	-
Board of commissioners	576,597	531,588	307,100	224,488
Tax commissioner	233,271	235,592	224,452	11,140
Tax assessor	64,420	64,694	59,021	5,673
Tax equalization	3,825	3,825	2,192	1,633
Tax appraiser	95,010	96,190	89,629	6,561
Coroner	20,667	22,373	19,407	2,966
County attorney	35,000	35,000	5,335	29,665
Elections	17,210	17,210	5,714	11,496
Voter registrar	60,117	60,508	41,279	19,229
Public buildings	43,452	43,452	36,021	7,431
Cooperative extension service	37,997	39,039	39,039	-
Planning and zoning	173,212	222,005	186,189	35,816
Total general government	1,490,778	1,371,476	1,015,378	356,098
Judicial				
Superior court	156,220	159,381	157,584	1,797
Probate court	191,083	193,391	179,756	13,635
Magistrate court	193,087	195,352	188,979	6,373
Courthouse security	21,247	32,146	31,439	707
Other judicial	165,540	173,409	162,305	11,104
Total judicial	727,177	753,679	720,063	33,616

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

	General Fund			
Public safety	Original Budget	Final Budget	Actual	Variance with Final Budget
Sheriff's office	1,083,463	1,126,243	1,070,681	55,562
Jail	982,462	1,001,617	828,264	173,353
Rescue unit/civil defense	28,639	32,529	22,489	10,040
Loal fire departments	212,343	212,343	208,014	4,329
Animal shelter	39,000	39,000	38,500	500
Total public safety	2,345,907	2,411,732	2,167,948	243,784
Public works				
Public works camp	536,508	557,490	501,799	55,691
Recycling	67,621	68,614	48,208	20,406
Total public works	604,129	626,104	550,007	76,097
Culture and recreation				
Library	75,721	76,631	69,214	7,417
Recreation	314,150	314,150	220,378	93,772
Total culture and recreation	389,871	390,781	289,592	101,189
Health and welfare				
Ambulance service	846,622	854,062	832,947	21,115
Senior center	255,177	260,831	222,650	38,181
Department of Family and Children Services	8,000	8,000	6,736	1,264
Mental Health	1,940	1,940	1,940	-
Retardation Center	600	600	600	-
Child Development Center	2,250	5,365	5,365	-
Development Authority	37,825	79,887	78,719	1,168
Board of Health	84,000	84,762	84,572	190
Total health and welfare	1,236,414	1,295,447	1,233,529	61,918
Total Expenditures	6,794,276	6,849,219	5,976,517	872,702
Excess of Revenue Over (Under) Expenditures	(607,774)	(615,717)	576,514	1,192,231
Other Financing Sources (Uses):				
Transfer from other funds	34,624	34,624	34,624	-
Transfer to other funds	(59,622)	(59,622)	(59,622)	-
Total Other Financing Sources (Uses)	(24,998)	(24,998)	(24,998)	-
Net change in fund balance	(632,772)	(640,715)	551,516	1,192,231
Fund balance, beginning of year	11,875,227	11,875,227	11,875,227	-
Fund balance, end of year	$ 11,242,455	$ 11,234,512	$ 12,426,743	$ 1,192,231

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds
	Landfill Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 674,153
Certificates of deposit	1,753,018
Accounts receivable (net of allowance for uncollectibles)	25,989
Accrued interest	3,765
Due from other funds	6,493
Total current assets	2,463,418
Noncurrent assets:	
Capital assets:	
Nondepreciable	231,160
Depreciable, net	45,310
Total capital assets	276,470
Total noncurrent assets	276,470
Total assets	2,739,888
LIABILITIES	
Current liabilities:	
Accounts payable	783
Accrued liabilities	3,720
Compensated absences	2,309
Total current liabilities	6,812
Noncurrent liabilities	
Post-closure costs	2,058,239
Total noncurrent liabilities	2,058,239
Total liabilities	2,065,051
NET POSITION	
Investment in capital assets	276,470
Unrestricted	398,367
Total net position	$ 674,837

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds
	Landfill Fund
Operating Revenues:	
Charges for services	$ 295,143
Total operating revenues	295,143
Operating Expenses:	
Personal services	106,281
Purchased services	23,846
Landfill closure and postclosure	102,013
Materials and supplies	39,008
Depreciation	24,305
Total Operating Expenses	295,453
Operating Income (Loss)	(310)
Non-Operating Revenues (Expenses):	
Interest revenue	13,160
Total Non-Operating Revenues (Expenses)	13,160
Net Income (Loss) before Transfers	12,850
Transfers out	(34,624)
Change in net position	(21,774)
Net position - beginning of year	696,611
Net position - end of year	$ 674,837

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds
	Landfill Fund
Cash Flows from Operating Activities:	
Cash received from customers	$ 281,985
Cash paid to suppliers for good and services	(156,099)
Cash paid to employees	(106,971)
Net Cash Provided by (Used for) Operating Activities	18,915
Cash Flows from Noncapital Financing Activities:	
Transfer from General Fund	(34,624)
Net Cash Provided by (Used for) Noncapital Financing Activities	(34,624)
Cash Flows from Investing Activities:	
Interest received	10,511
Net Cash Provided by (Used for) Investing Activities	10,511
Net Increase (Decrease) in Cash and Cash Equivalents	(5,198)
Cash and Cash Equivalents - Beginning of Year, Restated	679,351
Cash and Cash Equivalents - End of Year	$ 674,153

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

	Business-type Activities - Enterprise Funds Landfill Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Operating Income (Loss)	$ (310)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation	24,305
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivables	(6,665)
Increase (decrease) in accounts payable	(7,199)
Increase (decrease) in accrued liabilities	(116)
Increase (decrease) in due to other funds	(86,046)
Increase (decrease) in compensated absences	(574)
Increase (decrease) in postclosure costs	102,013
Total adjustments	19,225
Net Cash Provided by (Used for) Operating Activities	$ 18,915

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2013

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 473,980
Total Assets	$ 473,980
LIABILITIES	
Due to other governments	$ 294,094
Funds held in escrow	137,352
Due to others	42,534
Total Liabilities	$ 473,980

The notes to the financial statements are an integral part of this statement

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

Oglethorpe County was established under the provisions of an Act of the General Assembly of Georgia. The County operates under a county commissioner form of government, and provides the following services as authorized by state law, general administrative services, public safety, roads and bridges, courts and health and welfare.

The accounting policies of Oglethorpe County, Georgia conform to generally accepted accounting principles as applicable to governments. The following is a summary of the County's more significant policies applied in the preparation of the accompanying financial statements.

A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Oglethorpe County (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component unit discussed below is included in the County's reporting entity because of the significance of its operational and financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity*, which was adopted by the County as of October 1, 1995, the financial statements of the component unit have been included as a discretely presented component unit. The component unit column in the combined financial statements includes the financial data for the County's component unit, as reflected in their most recent audited financial statements for June 30, 2013. This audit is reported in a column separate from the County's financial information to emphasize that it is legally separate from the County.

Oglethorpe County Board of Health

The governing board of the Board of Health consists of members appointed by the County Commissioners. The County, by virtue of its appointments, controls a majority of the governing body positions. The Board submits all operating budgets to the County each year. The County provides significant funding to the Board, based upon the approved budgets. The Board operates on a fiscal year ending June 30th.

Complete financial statements of the individual component unit can be obtained from the Oglethorpe County clerk.

Oglethorpe County, Georgia
P.O. Box 261
Lexington, Georgia 30648

Oglethorpe County Law Library (Blended Component Unit)

The Oglethorpe County Law Library is an entity separate from the County. For financial reporting purposes, the Law Library is reported as if it were a part of the County's operations, because the Law Library primarily serves the courts of the County. The Law Library does not issue separate financial statements. Any capital assets purchased by the Law Library become the property of Oglethorpe County.

A joint venture has the following characteristics:

- It is a legal entity that results from a contractual agreement
- It is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control
- Participants retain an ongoing financial interest or an ongoing financial responsibility

The following agency is a joint venture with four other counties: Elbert, Franklin, Hart, and Madison.

Office of the Public Defender – Northern Judicial Circuit – The office is responsible for providing legal representation to indigent citizens. Oglethorpe County provides 12% of the budget; each of the other four counties provides 22%. The office submits annual budget requests to the counties. Total equity interest in the net assets of the joint venture as of June 30, 2013, was $0.

Complete financial statements can be obtained from the Franklin County Clerk:

Franklin County, Georgia
P.O. Box 151
Carnesville, Georgia 30521

Under Georgia law, the County, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Northeast Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended December 31, 2013, the county paid $13,609 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Council membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Northeast Georgia Regional Commission
305 Research Drive
Athens, Georgia 30605-2795

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the County's enterprise funds is charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

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

2007 Special Purpose Local Option Sales Tax – is used to account for the various budgeted roads, streets and bridges projects, public safety projects and infrastructure projects.

2012 Special Purpose Local Option Sales Tax - – is used to account for the various budgeted roads, streets and bridges projects, public safety projects and infrastructure projects.

LMIG Fund – is used to account for grant monies received for street improvements.

The government reports the following major proprietary fund:

Landfill Fund – is used to account for the revenues and expenses associated with operating the County landfill.

Additionally, the government reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Agency Funds – Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

E. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables, have been reduced to their estimated net realizable value, and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

F. Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased. Inventory in the General Fund consists of fuel, which is priced at cost using the First-In-First-Out method.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

Capital assets, which include property, plant; equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items acquired subsequent to January 1, 2003) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the County during the current fiscal year was $0. Of this amount, none was applicable to construction of capital assets.

Property, plant and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Building	39 years
Equipment	5-25 years
Infrastructure	50 years
Furniture	5 years
Vehicles	5 years

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Deferred Inflows / Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense / expenditures) until then.

In addition to liabilities, the statement of financial position will sometimes report 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 government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position.

L. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

M. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance in accordance with Governmental Accounting Standards Board Statement No. 54:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council. The Council approves committed resources through a motion and vote during the voting session of Council meetings.
- Assigned – amounts that are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board has authorized the County Clerk to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

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

The County does not have a formal minimum fund balance policy. The following is a summary of the fund balance classifications as of December 31, 2013:

Fund Balances	General Fund	2007 SPLOST	2012 SPLOST	LMIG	Nonmajor Governmental	Total
Nonspendable:						
Inventory	$ 56,017	$ -	$ -	$ -	$ -	$ 56,017
Restricted for:						
Public Safety	-	-	-	-	434,617	434,617
Capital outlay	-	31,229	622,022	-	-	653,251
Assigned for:						
Road improvements	-	-	-	300	-	300
Fund balance appropriation	434,145	-	-	-	-	434,145
Recreation	61,852	-	-	-	-	61,852
Unassigned	11,874,729	-	-	-	-	11,874,729
Total fund balances	$ 12,426,743	$ 31,229	$ 622,022	$ 300	$ 434,617	$ 13,514,911

M. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The County purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverage's for each of the past three fiscal years. The County had no significant reduction in insurance coverage from coverage in the prior year.

The County has joined together with other municipalities in the state as part of the ACCG Group Self Insurance Workers' Compensation Self Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings, which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. For the year ending December 31, 2013, the County's total contribution was $0 for the Workers Compensation Fund.

The County is a member of the ACCG Interlocal Risk Management Agency (ACCG-IRMA). This agency functions as a risk sharing arrangement among Georgia County governments and is administered by the Association of County Commissioners of Georgia (ACCG). The purpose of ACCG-IRMA is to establish and administer one or more group self-insurance funds; to establish and administer a risk management service; and to prevent or lessen the incidence or severity of casualty and property losses. Each member pays an annual contribution established by the Board of ACCG-IRMA. For the period December 1, 2012 - December 1, 2013, the County's total contribution was $109,640. ACCG-IRMA may develop and issue such self-insurance coverage descriptions, as it deems necessary. The current coverage provides a $3,000,000 general liability limit with a $1,000 per occurrence deductible.

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 is also to allow the pools' agents and attorneys to represent the Government in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the funds.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budget Process

The annual budget document is the financial plan for the operation of Oglethorpe County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County.

The County prepares a separately issued budget report. An annual operating budget is prepared for the General and Special Revenue funds. Prior to year end the Clerk of the County Commissioners submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Oglethorpe County. The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting before the year to which it applies. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same. The legal level of control is at the department level.

Formal budgetary integration is employed as a management control device during the year. The budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund is subject to budgetary control on a departmental basis, while the Special Revenue funds are subject to budgetary control on an individual fund basis. Budgets are prepared for the Capital Projects Funds on a project basis, which usually covers two or more fiscal years. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. Individual amendments are not material in relation to the original appropriations.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to serve that portion of the applicable appropriation, is not employed by the County. Budget to Generally Accepted Accounting Principal Basis reconciliations are not required.

NOTE 3 – DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. The County's bank balances of deposits as of December 31, 2013 are entirely insured or collateralized with securities held by the County's 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.

At December 31, 2013, the County's investments in certificates of deposit were as follows:

Investment	Maturity	Amount
Certificates of deposit – General Fund	12 months	$ 3,000,000
Certificates of deposit – Nonmajor Governmental	12 months	15,129
Certificates of deposit – Landfill Fund	12 months	1,753,018
		$ 4,768,147

At June 30, 2013, the carrying amount of deposits for the Oglethorpe County Board of Health, a discretely presented component unit, was $205,212, and the bank balance was $210,767. All of the bank balance was covered by federal depository insurance or by collateral held.

NOTE 4 – PROPERTY TAXES

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Board of Tax Assessors of Oglethorpe County.

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is turned over to the County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The Oglethorpe County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes are due based upon the birthday of the owner. The 2013 property taxes were mailed (levied) as of October 20 with a due date of December 20.

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

The tax billing cycle for 2013 is as follows:

Assessment Date	January 1, 2013
Levy Date	October 20, 2013
Due Date and Collection Date	December 20, 2013
Tax Execution Date/Lien Date	December 21, 2013

NOTE 5 – OTHER RECEIVABLES

Receivables at December 31, 2013, consist of the following:

	General Fund	2012 SPLOST	Nonmajor Governmental	Landfill Fund	Total
Receivables:					
Taxes	$ 419,428	$ 57,102	$ -	$ -	$ 476,530
Landfill	-	-	-	48,647	48,647
Accounts	501,677	-	41,126	-	542,803
Other	5,725	-	-	3,765	9,490
Gross Receivables	926,830	57,102	41,126	52,412	1,077,470
Less: Allowance for uncollectibles	(549,153)	-	-	(22,658)	(571,811)
Net Total Receivables	$ 377,677	$ 57,102	$ 41,126	$ 29,754	$ 505,659

The accounts receivable balance in the General Fund is made up of the uncollected billings for EMS charges as of December 31, 2013. The County has estimated an allowance for uncollectibles against these receivables based on the historical collection rates of the EMS charges.

NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at December 31, 2013, are as follows:

	Federal	State	Other	Total
Fund:				
General	$ 21,608	$ 50,817	$ 58,396	$ 130,821
Total	$ 21,608	$ 50,817	$ 58,396	$ 130,821

The amounts due from other government are primarily for grant funds.

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2013, were as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	LMIG Fund	$ 1,591
Landfill Fund	General Fund	6,493
Total		$ 8,084

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

Interfund transfers:

	E911 Fund	General Fund	Total
Transfer out:			
General Fund	$ 59,622	$ -	$ 59,622
Landfill Fund	-	34,624	34,624
Total	$ 59,622	$ 34,624	$ 94,246

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

NOTE 8 – CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,090,167	$ -	$ -	$ -	$ 1,090,167
Construction in progress	576,594	-	-	(576,594)	-
Total capital assets, not being depreciated	1,666,761	-	-	(576,594)	1,090,167
Capital assets being depreciated:					
Buildings	8,561,214	104,935	-	576,594	9,242,743
Furniture and Fixtures	439,849	-	-	-	439,849
Machinery and Equipment	2,654,499	191,400	(63,450)	-	2,782,449
Infrastructure	6,626,596	-	-	-	6,626,596
Vehicles	1,069,886	249,820	(137,011)	-	1,182,695
Land Improvements	6,000	51,553	-	-	57,553
Total capital assets being depreciated	19,358,044	597,708	(200,461)	576,594	20,331,885
Less accumulated depreciation for:					
Buildings	(2,368,509)	(199,837)	-	-	(2,568,346)
Furniture and Fixtures	(378,779)	(29,518)	-	-	(408,297)
Machinery and Equipment	(2,084,265)	(183,882)	57,105	-	(2,211,042)
Infrastructure	(581,902)	(540,946)	-	-	(1,122,848)
Vehicles	(781,899)	(162,852)	137,011	-	(807,740)
Land Improvements	(1,000)	(4,607)	-	-	(5,607)
Total accumulated depreciation	(6,196,354)	(1,121,642)	194,116	-	(7,123,880)
Total capital assets, being depreciated, net	13,161,690	(523,934)	(6,345)	576,594	13,208,005
Governmental activities capital assets, net	$ 14,828,451	$ (523,934)	$ (6,345)	$ -	$ 14,298,172

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 21,005
Public safety	26,817
Public works	244,785
Health and welfare	820,885
Recreation	8,150
Total depreciation expense - governmental activities	$ 1,121,642

	Beginning Balance	Increase	Decrease	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 231,160	$ -	$ -	$ 231,160
Total capital assets, not being depreciated	231,160	-	-	231,160
Capital assets, being depreciated:				
Furniture and Fixtures	17,293	-	-	17,293
Machinery and equipment	243,056	-	-	243,056
Total capital assets being depreciated	260,349	-	-	260,349
Less accumulated depreciation for:				
Furniture and Fixtures	(17,293)	-	-	(17,293)
Machinery and equipment	(173,441)	(24,305)	-	(197,746)
Total accumulated depreciation	(190,734)	(24,305)	-	(215,039)
Total capital assets, being depreciated, net	69,615	(24,305)	-	45,310
Business-type activities capital assets, net	$ 300,775	$ (24,305)	$ -	$ 276,470

Depreciation expense was charged to functions / programs of the primary government as follows:

Business-type activities:	
Landfill	$ 24,305
Total depreciation expense - business-type activities	$ 24,305

	Beginning Balance	Increase	Decrease	Ending Balance
Component Unit activities:				
Capital assets, being depreciated:				
Equipment	$ 10,576	$ 4,275	$ -	$ 14,851
Total capital assets being depreciated	10,576	4,275	-	14,851
Less accumulated depreciation for:				
Equipment	(10,576)	(71)	-	(10,647)
Total accumulated depreciation	(10,576)	(71)	-	(10,647)
Total capital assets, being depreciated, net	-	4,204	-	4,204
Component Unit activities capital assets, net	$ -	$ 4,204	$ -	$ 4,204

NOTE 9 – LONG-TERM DEBT

Changes in Long-term Liability

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 39,351	$ 53,555	$ (54,579)	$ 38,327	$ 32,578
Governmental activity Long-term liabilities	$ 39,351	$ 53,555	$ (54,579)	$ 38,327	$ 32,578

For the governmental activities, compensated absences are generally liquidated by the general fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Compensated absences	$ 2,883	$ 1,916	$ (2,490)	$ 2,309	$ 2,309
Landfill closure	1,956,226	102,013	-	2,058,239	-
Business-type activity Long-term liabilities	$ 1,959,109	$ 103,929	$ (2,490)	$ 2,060,548	$ 2,309

For the governmental activities, compensated absences are generally liquidated by the General Fund. For the business-type activities, long-term liabilities are liquidated by the Landfill Fund.

NOTE 10 – COMMITMENTS

Landfill Closure Costs

Under state and federal laws and regulations, the County was required to place a final cover upon closing the landfill from receiving solid waste and to continue to perform various maintenance and monitoring functions at the landfill site for a period of 25 years after closure. This is in addition to the normal operating expenses related to the current activities of the landfill.

The current County landfill activities are to receive inert material and construction/demolition debris. The current operation of the landfill is to fulfill an agreement with Athens-Clarke County in which the County is allowed to transport solid waste materials from Oglethorpe County to the Athens-Clark County landfill. County management is of the opinion that the only additional costs to be associated with final landfill closure will be monitoring and maintenance of solid waste materials. The County has estimated the closure and post closure costs associated with the landfill to be $2,727,530. The County has no responsibility for closure costs associated with Athens-Clarke County landfill. The percentage of landfill capacity used as of December 31, 2013, is 53%, and the estimated remaining landfill life is 15 years. As of December 31, 2013, the County had recorded a liability for closure and post closure costs totaling $2,058,239.

The County is of the opinion that costs associated with the landfill closure can be provided from General Fund revenues without impairing County operations. Management estimates are based on the assumption that costs associated with solid waste closures have been incurred and that closure costs associated with solid operations are nominal. However, actual costs may vary due to inflation or deflation, changes in technology, or changes in landfill laws and regulations. These costs may have to be covered by increased landfill fees, additional taxes or both.

NOTE 11 – EMPLOYEE RETIREMENT PLANS

A. ACCG Defined Benefit Plan

Plan Description:

The County contributes to the Association County Commissioners of Georgia ("ACCG") Defined Benefit Plan ("Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

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

Government Employee Benefits Corporation of Georgia
3625 Cumberland Boulevard, Suite 825
Atlanta, Georgia 30339

Participation:

All full-time County employees are eligible to participate in the Plan after completing three years of service.

Retirement Benefits:

Benefits vest after five years of service. Participants become eligible to retire at age 65 with 3 years in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 0.5% of average annual compensation up to $6,600 plus 1.0% of average annual compensation in excess of $6,600 plus $36 for each year of service payable as a life annuity. Service is limited to 35 years. Compensation is averaged over a five-year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

Funded Status and Funding Progress:

The funded status of the plan as of December 31, 2012, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	$2,269,784	$2,399,945	$130,161	94.6%	$1,670,791	7.8%

The schedule of funding progress, presented as RSI 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 for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2012.

Actuarial Assumptions:

1. Rate of return on the investment of present and future assets of 7.75% per year.
2. Projected salary increases of 5.0% per year.
3. Life expectancies before and after retirement based on the 1983 Group Annuity Mortality Table, with a two-year age set back.
4. Postretirement benefit increases - none.
5. Inflation rate assumption of 3.0% per year.
6. Actuarial Value of assets – Market Value.

There were no current year changes in actuarial assumptions or benefit provisions.

Contributions Required and Contributions Made:

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report. Contributions were made in accordance with actuarially determined contribution requirements. Contributions made during a particular year are attributable to the prior Plan year.

ACCG Plan funding policy provides for making required actuarially determined periodic contributions under the "Projected Unit Credit" actuarial cost method. This cost method determines plan liabilities consistent with the standardized measure of pension obligation described by Statement No. 5 of the Governmental Accounting Standards Board (GASB #5). In addition, this cost method determines contributions at rates that, for individual employees, increase gradually as an employee gets older, and enables sufficient assets to accumulate when benefits become due. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The weighted average remaining amortization period as of January 1, 2013, was 20 years.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation.

Contributions totaling $108,230, ($108,230 employer and $-0- employee), were made in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2013.

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

Actuarial Reports:

The County's practice is to have an actuarial valuation performed every year on the pension plan, and to base the succeeding year's contributions on the result of the valuation. The actuarial valuation is performed as of January 1 every year. This recent valuation was performed as of January 1, 2013, based upon employee data as of January 1, 2013, and based upon available pension assets as of December 31, 2013.

Current Plan Membership and Payroll:

Employee membership data related to the plan membership as of January 1, 2013, is as follows:

Retirees and beneficiaries currently receiving benefits	27
Terminated employees entitled to benefits but not yet receiving them	39
Disabled in pay status	2
Current active employees	62
Total Membership in the plan	130

The County's covered payroll as of January 1, 2013, (the most recent actuarial valuation date) was $1,769,680. Total payroll was $3,263,156.

Summary of Plan Asset Matters and Accounting Policies:

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and increments in the cash value of death benefits.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 45% equities and 55% fixed income securities.

Plan assets do not include any loans, notes, bonds or other instruments or securities of the County or related parties.

Derivation of Annual Pension Cost:

Annual required contribution	$ 108,230
Interest on Net Pension Obligation	(52,752)
Amortization of Net Pension Obligation	56,443
Annual Pension Cost	$ 111,921

Derivation of Net Pension Obligation:

Annual Pension Cost for Current Year	$ 111,921
Actual Contributions to Plan for Current Year	108,230
Increase in Net Pension Obligation/(Asset)	3,691
Net Pension Obligation/(Asset), as of December 31, 2012	(680,668)
Net Pension Obligation/(Asset), as of December 31, 2013	$ (676,977)

The net pension asset is presented as other assets in the government-wide statement of net position.

Historical Trend Information:

Historical trend information is designed to provide information about a public employee retirement system's progress made in accumulating sufficient assets to pay benefits when due. More detailed information regarding the plan is available in Oglethorpe County, Georgia Retirement Plan's actuarial report for the plan year beginning January 1, 2009, which can be obtained from the plan administrator, the Association County Commissioners of Georgia.

Net Pension Obligation/(Asset):

Fiscal Year Ending	Annual Pension Cost (APC)	Annual County Contribution	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
2013	$ 111,921	$ 108,230	97%	$ (676,977)
2012	99,156	95,444	96%	(680,668)
2011	188,618	188,525	100%	(684,380)

B. Other Retirement Plans

Other employees are covered under the following retirement plans that are not under the direct control of the County.

Probate Judges' Retirement Fund of Georgia:

The Probate Judge is covered under a pension plan, which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs of other claims.

Clerk of Superior Court Retirement Fund:

The Clerk of Superior Court is covered under a pension plan, which requires that certain sums of fees and fines or bond forfeitures be remitted to the pension plan before payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund:

The Sheriff and his deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Court, Magistrate Court or Clerk of Superior Court to the pension plan before the payment of any costs of other claims.

C. Extension Service Employee Retirement Fund

Employees of Oglethorpe County Agriculture Extension Service are covered under the Teachers Retirement System of Georgia. A contribution is made by the General Fund.

C. Defined Contribution Retirement Plan

The County is a participating member of the Georgia State Employees' Pension and Savings Plan defined contribution retirement plan. The plan is administered by the Employees' Retirement System of Georgia. As of December 31, 2013, there was one participant from the government. Plan members are allowed to make voluntary contributions to the plan. The County does not make contributions to the plan. Plan provisions and contribution requirements are established by County resolution and may be amended by the County. Total contributions for the year ended December 31, 2013 were $660 by the employees and $0 by the County.

NOTE 12 – CONTINGENT LIABILITIES

A. Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

B. Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for or including the year ended December 31, 2013, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

C. GEFA Loan

The County has entered into an agreement with the City of Crawford whereby the County has guaranteed the payment of a $750,000 GEFA loan. The County is liable to cover any shortfall in the loan payments made by the City.

REQUIRED SUPPLEMENTARY INFORMATION

OGLETHORPE COUNTY, GEORGIA

SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2013
(UNAUDITED)

Measurement Date	Actuarial Value of Assets (a)		Actuarial Accrued Liability (b)	Funded/ (Assets in Excess of) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Assets in Excess of) AAL as a Percentage of Covered Payroll {(b-a)/c}
12/31/2012	$ 2,269,784	*	$ 2,399,945	$ 130,161	94.6%	$ 1,670,791	7.8%
12/31/2011	2,187,698	*	2,209,757	22,059	99.0%	1,591,738	1.4%
12/31/2010	2,027,713	*	2,055,283	27,570	98.7%	1,352,340	2.0%
12/31/2009	1,862,343	*	1,814,500	(47,843)	102.6%	1,221,649	-3.9%
12/31/2008	1,611,275	*	1,858,174	246,899	86.7%	1,395,117	17.7%
12/31/2007	1,321,172		1,778,422	457,250	74.3%	1,501,179	30.5%

* - Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Drug Abuse & Treatment Fund – This fund accounts for fines collected as required by State Law for drug abuse treatment and educational purposes.

Jail Fund – This fund accounts for fines collected as required by State Law for jail operations and construction.

E911 Fund – This fund accounts for fees collected as required by State Law for E911 operations and maintenance.

Law Library Fund – This fund accounts for the resources received from the various courts of Oglethorpe County and disbursements for the support of a centralized law library.

Drug Seizure Fund – This fund accounts for condemned funds received and disbursed for Law Enforcement expenditures.

OGLETHORPE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Drug Abuse & Treatment	Jail	E911	Law Library	Drug Seizure	
ASSETS						
Cash and cash equivalents	$ 79,444	$ 59,652	$ 224,538	$ 13,165	$ 11,756	$ 388,555
Certificates of deposit	-	-	-	15,129	-	15,129
Receivables, net of allowance						
Accounts	-	-	41,126	-	-	41,126
Total Assets	$ 79,444	$ 59,652	$ 265,664	$ 28,294	$ 11,756	$ 444,810
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ -	$ 963	$ 419	$ -	$ 1,382
Accrued expenses	-	-	8,811	-	-	8,811
Total Liabilities	-	-	9,774	419	-	10,193
Fund Balances:						
Restricted	79,444	59,652	255,890	27,875	11,756	434,617
Total Fund Balances	79,444	59,652	255,890	27,875	11,756	434,617
Total Liabilities and Fund Balances	$ 79,444	$ 59,652	$ 265,664	$ 28,294	$ 11,756	$ 444,810

OGLETHORPE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Drug Abuse & Treatment	Jail	E911	Law Library	Drug Seizure	
Revenues:						
Charges for services	$ -	$ -	$ 224,996	$ -	$ -	$ 224,996
Fines	7,904	17,152	-	4,081	14,721	43,858
Investment earnings	86	45	267	19	-	417
Total Revenues	7,990	17,197	225,263	4,100	14,721	269,271
Expenditures:						
Current:						
General government	-	-	-	3,173	-	3,173
Public safety	-	18,346	354,499	-	16,466	389,311
Total Expenditures	-	18,346	354,499	3,173	16,466	392,484
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,990	(1,149)	(129,236)	927	(1,745)	(123,213)
Other Financing Sources (Uses):						
Transfer from other funds	-	-	59,622	-	-	59,622
Total other financing sources (uses)	-	-	59,622	-	-	59,622
Net change in fund balances	7,990	(1,149)	(69,614)	927	(1,745)	(63,591)
Fund Balance, beginning of year	71,454	60,801	325,504	26,948	13,501	498,208
Fund Balance, end of year	$ 79,444	$ 59,652	$ 255,890	$ 27,875	$ 11,756	$ 434,617

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
DRUG ABUSE & TREATMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Fines and forfeitures	$ 3,000	$ 7,904	$ 4,904
Interest income	-	86	86
Total Revenues	3,000	7,990	4,990
Expenditures:			
Current:			
Public Safety	70,000	-	70,000
Total Expenditures	70,000	-	70,000
Net change in fund balance	(67,000)	7,990	74,990
Fund Balance - Beginning of Year	71,454	71,454	-
Fund Balance - End of Year	$ 4,454	$ 79,444	$ 74,990

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Fines and forfeitures	$ 16,700	$ 17,152	$ 452
Interest income	-	45	45
Total Revenues	16,700	17,197	497
Expenditures:			
Current:			
Public Safety	66,700	18,346	48,354
Total Expenditures	66,700	18,346	48,354
Net change in fund balance	(50,000)	(1,149)	48,851
Fund Balance - Beginning of Year	60,801	60,801	-
Fund Balance - End of Year	$ 10,801	$ 59,652	$ 48,851

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
E911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Charges for services	$ 208,566	$ 224,996	$ 16,430
Interest income	-	267	267
Total Revenues	208,566	225,263	16,697
Expenditures:			
Current:			
Public Safety	409,164	354,499	54,665
Total Expenditures	409,164	354,499	54,665
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,598)	(129,236)	71,362
Other Financing Sources (Uses):			
Transfer from other funds	75,334	59,622	(15,712)
Total other financing sources (uses)	75,334	59,622	(15,712)
Net change in fund balance	(125,264)	(69,614)	55,650
Fund Balance - Beginning of Year	325,504	325,504	-
Fund Balance - End of Year	$ 200,240	$ 255,890	$ 55,650

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Fines and forfeitures	$ 8,400	$ 4,081	$ (4,319)
Interest income	-	19	19
Total Revenues	8,400	4,100	(4,300)
Expenditures:			
Current:			
General government	8,400	3,173	5,227
Total Expenditures	8,400	3,173	5,227
Net change in fund balance	-	927	927
Fund Balance - Beginning of Year	26,948	26,948	-
Fund Balance - End of Year	$ 26,948	$ 27,875	$ 927

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
DRUG SEIZURES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Confiscated funds	$ 13,000	$ 14,721	$ 1,721
Total Revenues	13,000	14,721	1,721
Expenditures:			
Current:			
Public Safety	19,483	16,466	3,017
Total Expenditures	19,483	16,466	3,017
Net change in fund balance	(6,483)	(1,745)	4,738
Fund Balance - Beginning of Year	13,501	13,501	-
Fund Balance - End of Year	$ 7,018	$ 11,756	$ 4,738

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Total - All Agency Funds				
Assets				
Cash and cash equivalents	$ 1,637,235	$ 9,272,614	$ 10,435,869	$ 473,980
Total Assets	$ 1,637,235	$ 9,272,614	$ 10,435,869	$ 473,980
Liabilities				
Due to State of Georgia	$ 37,343	$ 1,237,642	$ 1,182,117	$ 92,868
Due to Board of Education	1,494,893	7,397,170	8,692,006	200,056
Due to Other Governments	167	18,536	17,533	1,170
Funds held in escrow	69,934	129,813	62,396	137,352
Due to others	34,898	489,453	481,817	42,534
Total Liabilities	$ 1,637,235	$ 9,272,614	$ 10,435,869	$ 473,980

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Superior Court				
Assets				
Cash and cash equivalents	$ 53,126	$ 231,011	$ 217,085	$ 67,052
Total Assets	$ 53,126	$ 231,011	$ 217,085	$ 67,052
Liabilities				
Funds held in escrow	$ 36,155	$ 34,992	$ 32,943	$ 38,204
Due to others	16,971	196,019	184,142	28,848
Total Liabilities	$ 53,126	$ 231,011	$ 217,085	$ 67,052
Magistrate Court				
Assets				
Cash and cash equivalents	$ 1,853	$ 92,452	$ 90,685	$ 3,620
Total Assets	$ 1,853	$ 92,452	$ 90,685	$ 3,620
Liabilities				
Due to others	$ 1,853	$ 92,452	$ 90,685	$ 3,620
Total Liabilities	$ 1,853	$ 92,452	$ 90,685	$ 3,620

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Probate Court				
Assets				
Cash and cash equivalents	$ 15,536	$ 128,743	$ 132,885	$ 11,394
Total Assets	$ 15,536	$ 128,743	$ 132,885	$ 11,394
Liabilities				
Funds held in escrow	$ 4,066	$ 29,942	$ 29,431	$ 4,577
Due to others	11,470	98,801	103,454	6,817
Total Liabilities	$ 15,536	$ 128,743	$ 132,885	$ 11,394
Sheriff's Department				
Assets				
Cash and cash equivalents	$ 4,270	$ 39,031	$ 40,316	$ 2,985
Total Assets	$ 4,270	$ 39,031	$ 40,316	$ 2,985
Liabilities				
Other	$ 4,270	$ 39,031	$ 40,316	$ 2,985
Total Liabilities	$ 4,270	$ 39,031	$ 40,316	$ 2,985

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Tax Commissioner's Office				
Assets				
Cash and cash equivalents	$ 1,562,449	$ 8,781,377	$ 9,954,897	$ 388,929
Total Assets	$ 1,562,449	$ 8,781,377	$ 9,954,897	$ 388,929
Liabilities				
Due to State of Georgia	$ 37,343	$ 1,237,642	$ 1,182,117	$ 92,868
Due to Board of Education	1,494,896	7,397,170	8,692,010	200,056
Due to Other Governments	168	18,536	17,534	1,170
Funds held in Escrow	29,623	64,969	21	94,571
Other	419	63,060	63,215	264
Total Liabilities	$ 1,562,449	$ 8,781,377	$ 9,954,897	$ 388,929

OGLETHORPE COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
YEAR ENDED DECEMBER 31, 2013

Project	Original Estimated Cost	Expenditures Prior Year(s)	Expenditures Current Year	Expenditures Total
2007 SPLOST				
Roads and bridges	$ 4,655,000	$ 1,571,295	$ 466,003	$ 2,037,298
Public Safety:				
Sheriff Vehicles	330,000	215,163	72,414	287,577
Ambulance (see Note 1)	165,000	240,378	102,215	342,593
EMS Building	750,000	-	-	-
Emergency Services	600,000	49,834	52,773	102,607
911 Upgrade	200,000	-	-	-
Infrastructure:				
Water Reservoir	500,000	-	11,418	11,418
Facilities Improvement	250,000	776,173	72,000	848,173
Sewage startup	200,000	-	-	-
Computer update	100,000	127,776	22,096	149,872
Recreation	250,000	112,661	43,314	155,975
Totals	$ 8,000,000	$ 3,093,280	$ 842,233	$ 3,935,513

Note 1 > In 2009, the County received a grant in the amount of $71,329 from the Georgia Department of Human Resources to assist with the purchase of a new ambulance. Expenditures reimbursed by grant funds are included in the schedule above.

2012 SPLOST				
Roads and bridges	$ 3,904,000	$ -	$ 142,436	$ 142,436
Public Safety:				
Sheriff Vehicles	464,000	-	-	-
Ambulance	224,000	-	-	-
Emergency Services	279,200	-	-	-
Infrastructure:				
Water Reservoir	344,000	-	-	-
Facilities Improvement	2,000,000	-	57,821	57,821
Sewage startup	128,800	-	-	-
Computer update	152,000	-	-	-
Recreation	504,000	-	43,868	43,868
Totals	$ 8,000,000	$ -	$ 244,125	$ 244,125

GOVERNMENTAL REPORTS

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 Board of Commissioners
of Oglethorpe County, Georgia

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oglethorpe County, Georgia (the "County") 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 and have issued our report thereon dated June 9, 2014. Our report includes a reference to other auditors. Other auditors audited the financial statements of the Oglethorpe County Board of Health, as described in our report on the County's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purposes described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. 2010-02 and 2013-01

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. 2013-02 and 2013-03

Compliance and Other Matters

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

Oglethorpe County, Georgia's Response to Findings

Oglethorpe County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

Macon, Georgia
June 9, 2014

Chafin Zeh, Hall & Pulliam

FINANCIAL STATEMENT FINDINGS

Findings noted on the 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*:

2010-02 Landfill Receipts (Reiteration of Prior Year)

CRITERIA
Internal controls should be designed to reconcile the subsidiary ledger accounts with the general ledger control accounts and any differences discovered should be resolved on a timely basis.

CONDITION
The daily reports prepared by Landfill personnel are not being reconciled to the receipt books, bank deposits or final general ledger posting.

CONTEXT
A manual general ledger accounting system is being used by the County.

EFFECT
Failure to adequately monitor and reconcile activity could increase the likelihood of misappropriation of funds. In addition, interim financial reports, which are used by management for fiscal-related decisions, could have been relied upon in error.

CAUSE
The material weakness is the result of the County not establishing adequate controls over the collection and reconciliation of landfill receipts.

RECOMMENDATION
The County should redesign the internal control system and consider obtaining computer software that would allow for adequate monitoring and reporting. In addition, the County should consider additional training of current personnel.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management concurs with the finding. Accounting software has been acquired and is expected to be functional within calendar year 2014. Manual procedures for reconciliation are in place until functionality of the software has been successfully tested.

2013-01 Accounts Receivable/Revenue

CRITERIA
Accounting procedures should be designed to insure that revenue is accrued and recognized when it becomes both measurable and available to finance expenditures of the period.

CONDITION
Various revenue items were not recorded in the proper period.

CONTEXT
Material audit adjustments were needed to fairly state and classify accounts receivable and revenue for the year ended December 31, 2013. The adjustments are summarized as follows:

- Adjustment of $75,449 was necessary in the General Fund to correct the unavailable revenue – property taxes.
- Adjustment of $19,641 was necessary in the E911 Fund to increase E911 revenue.

EFFECT
The County produced financial reports, which contained material errors.

CAUSE
The County does not have adequate accounting procedures in place to insure the accrual of revenues in the proper period.

RECOMMENDATION
We recommend that the County develop procedures to insure the recording of revenues when they become measurable and available to finance expenditures of the fiscal period. We also recommend that the County provide training for employees on accrual accounting of revenues and receivables.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management concurs with the finding. Three members of the County staff completed governmental accounting training in FY 2013 and have been properly trained to identify revenue on the GAAP basis. Recording of revenue will be improved in the next fiscal year.

2013-02 Accounts Payable/Expenditures or Expenses

CRITERIA
Accounts payable should reflect obligations which have been incurred, but remain unpaid at year-end.

CONDITION
A clerical error was made by the County during its calculation of the closure/post-closure liability.

CONTEXT
An audit adjustment of $12,719 was needed in the Landfill Fund to correct the closure/post-closure liability.

EFFECT
The County produced financial reports, which contained errors.

CAUSE
The County lacked accounting procedures to insure the recording and proper classification of incurred expenses at the end of the fiscal period.

RECOMMENDATION
We recommend that the County establish procedures to insure the proper accrual and classification of all liabilities incurred during the fiscal period. We also recommend that the County provide training in proper governmental accounting procedures.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management concurs with the finding. Relevant financial reports have been corrected. The corrected report is in use going forward.

2013-03 Law Library Fund – Timely Deposits

CRITERIA
An adequate internal control system requires that cash deposits be made on a timely basis.

CONDITION
Deposits are not being made to the Law Library bank account on a timely basis.

CONTEXT
For the year ended December 31, 2013, only five deposits were made to the Law Library account.

EFFECT
Failure to make timely deposits could increase the likelihood of misappropriation of assets and affect the collectability of checks held.

CAUSE
The Law Library has not established adequate controls over the fines remitted and the bank account.

RECOMMENDATION
We recommend that the Law Library make deposits, at a minimum, on a weekly basis.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management concurs with the finding. In May 2014, written correspondence was transmitted to the Chief Superior Court Judge recommending appointment of a new treasurer for the Law Library Board of Trustees and that deposits be made, at a minimum, on a weekly basis.