PEACH COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2013

INTRODUCTORY SECTION

PEACH COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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PEACH COUNTY, GEORGIA

LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2013

ELECTED

Melvin E. Walker, Jr., Chairman

Martin Moseley, Vice Chairman

Roy Lewis, County Commissioner

Walter Smith, County Commissioner

Betty C. Hill, County Commissioner

STAFF

Marcia W. Johnson, County Administrator

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Peach County, Georgia
Fort Valley, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Peach County, Georgia** (the County) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Peach County, Georgia'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 Peach County Health Department, which represents 8%, 8%, and 32%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those 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 Peach County Health Department, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the 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 units, each major fund, and the aggregate remaining fund information of Peach County, Georgia as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 63*, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities,* as of October 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 19) and the Schedule of Funding Progress (on page 64) 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 Peach County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of Peach County, Georgia. The accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option 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 March 14, 2014, on our consideration of Peach County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Peach County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
March 14, 2014

Management's Discussion and Analysis

As management of Peach County, Georgia (the "County"), we offer readers of Peach County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements, and the notes to the financial statements.

Financial Highlights

- The assets of Peach County exceeded its liabilities at September 30, 2013, by $50,800,346 (net position). Of this amount, $2,050,735 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Primary Government's total net position decreased by $2,124,475 for the year ended September 30, 2013.
- At September 30, 2013, the total net position at the government-wide level consisted of $41,007,250 invested in capital assets net of related debt, $7,742,361 in restricted net position, and $2,050,735 in unrestricted net position. The County's General Fund reported a fund balance of $4,543,531, a decrease of $605,298 or 12% below the last fiscal year.
- Peach County's total debt decreased by $2,813,483 during the current fiscal year due primarily to the annual payment against the County's $15,015,000 in general obligation bonds.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Peach 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Peach County's finances, in a manner similar to a private-sector business. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

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 position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement consolidates the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

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 fiscal periods (e.g., uncollected taxes and 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 user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, culture and recreation, health and welfare services, and conservation and development services. The business-type activities of Peach County include solid waste collection.

The government-wide financial statements include not only Peach County itself (known as the primary government), but also a legally separate development authority, a legally separate library, and a legally separate health department, for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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. Peach County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of Peach County can be divided into three (3) 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 fiscal 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. Both 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 fiscal year ended September 30, 2013, the County maintained thirteen (13) individual governmental funds to account for the following activities: General; Special Revenues (Law Library, Drug, Federal Drug, Jail Inmate Canteen, Emergency 911, Hotel/Motel Taxes, and Transit System); Capital Projects (1994 Sales Tax for Landfills and Buildings, 2000 Sales Tax for Water, Sewer & Waste Water Treatment System, the 2004 SPLOST, the 2008 SPLOST, and the 2015 SPLOST). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Water, Sewer & Waste Water Treatment System Fund, the 2004 SPLOST Fund, and the 2008 SPLOST Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for the General Fund and Special Revenue Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with budget requirements. Budgets are adopted for Capital Project Funds on a project-length basis.

Proprietary Funds. Proprietary funds may be either Enterprise Funds or Internal Service Funds. However, Peach County only maintains one Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Peach County uses an enterprise fund to account for its solid waste collection operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Peach County's solid waste collection operation, which is considered to be a major fund of Peach County. Individual fund data for this enterprise fund is provided in the government-wide financial statements on pages 20 - 23. The basic proprietary fund financial statements can be found on pages 29 - 31.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements 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. The basic fiduciary fund financial statements can be found on page 32.

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. The notes to the financial statements can be found on pages 33 - 63 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Peach County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 61 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the 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 Peach County, assets exceed liabilities by $50,800,346 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (81%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Long-term liabilities decreased by $2,813,483 as of September 30, 2013, as compared to 2012. The decrease is primarily the result of Peach County making a payment of $2,599,961 on the County's general obligation bonds of $15,015,000. Post closure care costs were restated for 2012, resulting in an increase of $431,572. See Notes 7, 12 and 15 to the financial statements for additional information related to this restatement.

Peach County's Net Position

	Governmental Activities		Business-type Activities		Total Activities	
	2013	2012	2013	2012	2013	2012
Current and other assets	$ 21,994,476	$ 17,419,272	$ 964,478	$ 72,986	$ 22,958,954	$ 17,492,258
Capital assets	46,513,662	47,754,128	-	-	46,513,662	47,754,128
Total assets	68,508,138	65,173,400	964,478	72,986	69,472,616	65,246,386
Long-term liabilites	8,096,187	10,909,670	-	-	8,096,187	10,909,670
Other liabilities	9,506,355	1,338,909	1,069,728	72,986	10,576,083	1,411,895
Total liabilities	17,602,542	12,248,579	1,069,728	72,986	18,672,270	12,321,565
Net position:						
Net investment in capital assets	41,007,250	40,001,115	-	-	41,007,250	40,001,115
Restricted	7,742,361	10,511,512	-	-	7,742,361	10,511,512
Unrestricted	2,155,985	2,412,194	(105,250)	-	2,050,735	2,412,194
Total net position	$ 50,905,596	$ 52,924,821	$ (105,250)	$ -	$ 50,800,346	$ 52,924,821

A portion of Peach County's net position (15%) represents resources that are subject to external restrictions on how they may be used. These funds are to be used for capital projects designated in one of five different Special Purpose Local Option Sales Tax Funds (1994, 2000, 2004, 2008, and 2015). Restricted net position decreased $2,769,151 primarily due to continued progress toward completing projects approved in the above Special Purpose Local Option Sales Tax Referendums. The remaining balance of unrestricted net position ($2,050,735) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Peach County is able to report a positive balance in all "Governmental Activities" categories of net position. However, revenues in the "Business-Type Activities" category for the Solid Waste Fund fell short of expenditures by $93,568 in 2013, bringing overall net position in the "Business-Type Activities" category for the Solid Waste Fund to a deficit $105,250. The government's overall net position decreased by $2,124,475, representing a 4% decrease primarily due to the distribution of $1,800,000 to the Peach County Hospital Authority from the 2004 SPLOST Fund and a distribution of $907,174 to the City of Byron from the 2000 SPLOST Fund, both of which will be discussed in greater detail later in this report.

Peach County's Change in Net Position

	Governmental Activities		Business-type Activities		Total Activities	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	$ 2,850,509	$ 2,951,851	$ 763,484	$ 763,956	$ 3,613,993	$ 3,715,807
Operating grants and contributions	311,555	261,464	-	-	311,555	261,464
Capital grants and contributions	218,914	122,928	-	-	218,914	122,928
Total program revenues	3,380,978	3,336,243	763,484	763,956	4,144,462	4,100,199
General revenues:						
Property taxes	9,739,528	9,329,687	-	-	9,739,528	9,329,687
Sales taxes	5,850,561	6,086,511	-	-	5,850,561	6,086,511
Insurance premiums	578,257	541,278	-	-	578,257	541,278
Other taxes	183,827	125,626	-	-	183,827	125,626
Investment income	6,240	15,886	-	-	6,240	15,886
Total general revenues	16,358,413	16,098,988	-	-	16,358,413	16,098,988
Total revenues	19,739,391	19,435,231	763,484	763,956	20,502,875	20,199,187
Expenses						
General government	6,405,673	5,372,603	-	-	6,405,673	5,372,603
Judicial	1,623,734	1,277,237	-	-	1,623,734	1,277,237
Public safety	8,633,889	8,262,595	-	-	8,633,889	8,262,595
Public works	2,731,211	3,290,366	-	-	2,731,211	3,290,366
Health and welfare	744,636	730,677	-	-	744,636	730,677
Culture and recreation	791,005	752,517	-	-	791,005	752,517
Conservation and development	601,800	855,889	-	-	601,800	855,889
Solid waste	-	-	857,052	888,235	857,052	888,235
Interest on long-term debt	238,350	394,978	-	-	238,350	394,978
Total expenses	21,770,298	20,936,862	857,052	888,235	22,627,350	21,825,097
Increase in net position before transfers	(2,030,907)	(1,501,631)	(93,568)	(124,279)	(2,124,475)	(1,625,910)
Transfers	11,682	(124,279)	(11,682)	124,279	-	-
Change in net position	(2,019,225)	(1,625,910)	(105,250)	-	(2,124,475)	(1,625,910)
Net position, beginning of year, as restated	52,924,821	54,550,731	-	-	52,924,821	54,550,731
Net position, end of year	$ 50,905,596	$ 52,924,821	$ (105,250)	$ -	$ 50,800,346	$ 52,924,821

Restatement. The County early implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65 during fiscal year 2013. This new pronouncement required the County to write off bond issuance costs of $88,941 which had been previously recorded as an asset in prior periods. As such, the 2012 governmental activities current and other assets and unrestricted net position were reduced by this amount.

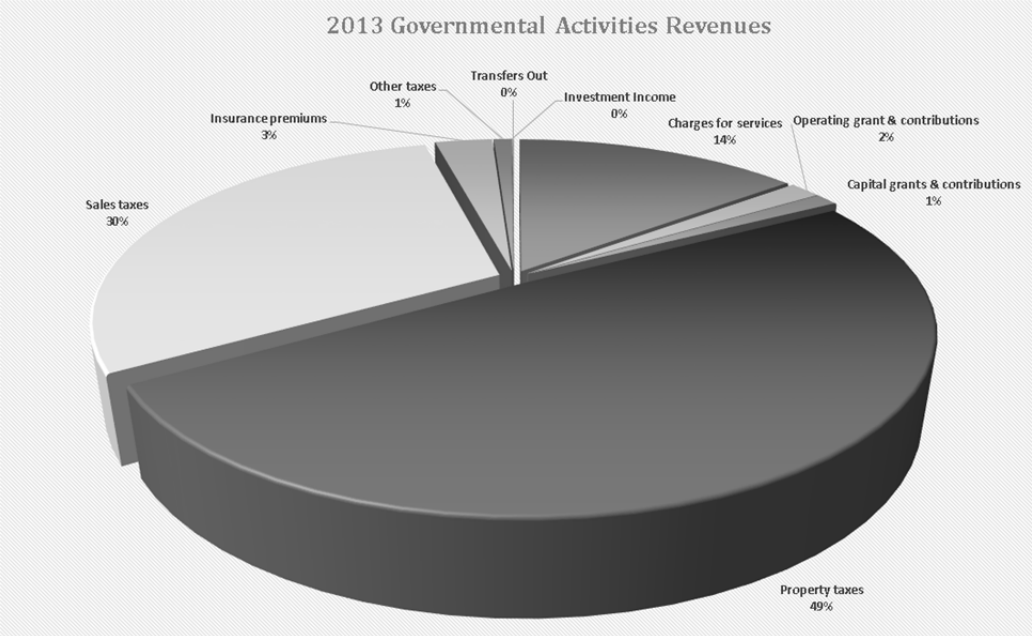
The County also had to record its portion of the Middle Georgia Regional landfill liability of $431,572 during fiscal year 2013. This required a restatement (increase) of the 2012 governmental activities long term liabilities and a corresponding restatement (decrease) of unrestricted net position by that amount.

Further discussion of these restatements can be found in Note 15 of this report.

Governmental Activities. Governmental activities decreased the County's net position by $2,019,225 during 2013, thereby accounting for 95% of the total decrease in net position. Key elements of this decrease are noted below:

Peach County's 2013 revenues for governmental activities increased approximately 2% over 2012 revenues. While 2013 property tax collections and revenues from grants saw slight increases, other revenue sources have decreased compared to 2012 collections, as follows:

Program revenues:		
Charges for services	Decrease	-3%
Operating grants and contributions	Increase	19%
Capital grants and contributions	Increase	78%
General revenues:		
Property taxes	Increase	4%
Sales taxes	Decrease	-4%
Insurance premiums	Increase	7%
Other taxes	Increase	46%
Investment income	Decrease	-61%

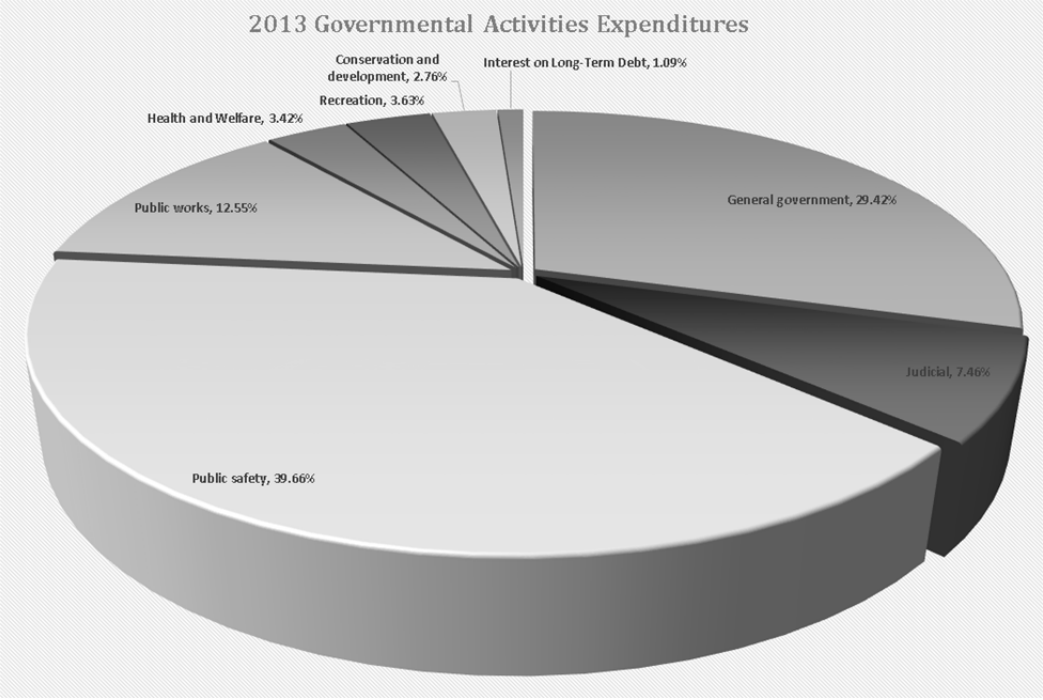


While the downturn in the economy has shown a slight recovery in the preceding year, consumer confidence has not yet been fully restored, which accounts for some of the reduction in sales tax collections. Also, this recovery has not yet been reflected in investment opportunities, which accounts for the continued reduction in investment income.

Peach County's overall expenditures for governmental activities showed only a slight increase of less than 4% in 2013 as compared with 2012. Payouts of $907,174 were made to the City of Byron from the 2000 SPLOST Fund for Water, Sewer, & Waste Water Treatment Systems in 2013 pursuant to the Third Amendment to the Intergovernmental Agreement between the Peach County Board of Commissioners, the City of Fort Valley, the Fort Valley Utility Commission, the City of Byron, and the Peach County Water & Sewerage Authority. This will be discussed in greater detail later in this report. Also, a payout was made to the Peach County Hospital Authority from the 2004 SPLOST Fund pursuant to an Intergovernmental Agreement approved in 2010 between the Peach County Board of Commissioners and the Peach County Hospital Authority to be used toward the construction of the new Peach Regional Medical Center.

General Government expenditures increased by 19% over expenditures recorded for 2012. This increase is largely due to the payout of $1,800,000 toward the construction of the new Peach Regional Medical Center pursuant to an Agreement approved in 2010 between the Peach County Board of Commissioners and the Peach County Hospital Authority. The voters of Peach County approved to have $2,000,000 designated for this purpose in the 2004 SPLOST Referendum.

Conservation and Development expenditures decreased 30% in 2013 as compared to 2012. Peach County made a commitment to partner with Houston County and Bibb County through the Central Georgia Joint Development Authority to assist in addressing the encroachment issues at Robins Air Force Base, where houses need to be purchased and removed to prevent residential hazards in the area. Addressing the encroachment issues will help protect Robins Air Force Base during future BRAC Commission studies. In June of 2011, Peach County pledged $400,000 to be divided into two payments of $200,000 each over the next two years. The first of these payments was made in November of 2011. The final payment was made in the fall of 2012. Expenditures for the Perry-Houston County Airport Authority under the Air OneGeorgia Grant project for the Runway 36 ILS Glide Slope and Airport Road Realignment has previously been recorded in Conservation and Development. However, there were no additional expenditures recorded toward this project in 2013.

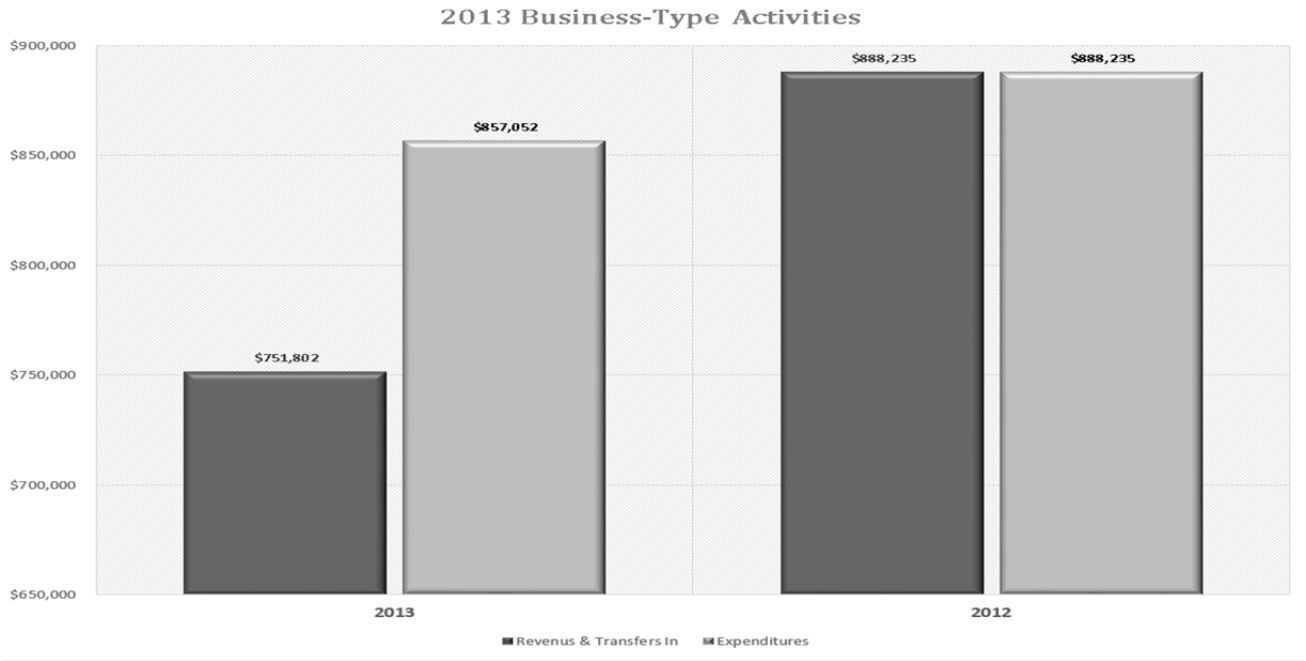


During the year ended September 30, 2003, the Development Authority issued tax-exempt and taxable revenue bonds in the aggregate amount of $3,977,000. The bond proceeds were used to refund the Development Authority's series 2000 revenue bonds. The principal and interest on the bonds are payable from the lease

payments made to the Development Authority from Valley Industrial Products located in the former Step 2 Building on Ira Hicks Boulevard in Fort Valley, Georgia, with the balance of the payment being funded through general revenues of Peach County. Peach County's remaining obligation under this agreement is as follows:

Year Ending September 30,	Principal	Interest	Debt Service	Lease	Peach County Portion
2014	$ 426,000	$ 15,089	$ 441,089	$ 258,408	$ 182,681
2015	$ 105,000	$ 461	$ 105,461	$ 43,068	$ 62,393
Total	$ 531,000	$ 15,550	$ 546,550	$ 301,476	$ 245,074

Business-Type Activities: Peach County's solid waste collection service is shown under Business-Type Activities. As a separate unit, this service includes door to door household garbage and yard waste collection and a separate contract for inmate crews to provide roadside and drainage cleanup. These services have been paid by an annual $144 solid waste fee included on the tax billing for each residential unit in the unincorporated area of Peach County. In 2013, this business-type activity incurred expenditures of $857,052, exceeding its revenues by $93,568. A transfer of $11,682 was recorded as owed to other funds, bringing the net position for the Solid Waste Fund to a negative $105,250 at the end of 2013. The $144 annual solid waste fee originally established for this purpose has become insufficient to cover the cost of services provided to the residents in the unincorporated area of the County. The Solid Waste Fund has experienced overages in most of the years since 2007 and has required supplemental funding from the General Fund. Because of this, action was taken in 2013 to increase the annual solid waste fee from $144 to $204, which should provide a sufficient increase to cover the costs for providing solid waste services in the unincorporated areas of the County.



Financial Analysis of the Government's Funds

As noted earlier, 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. Fund balance is one of the most commonly used pieces of governmental financial information and is considered key information for users of governmental financial statements

that are trying to identify resources that are liquid and available to be used to provide services. The Governmental Accounting Standards Board has issued GASB 54 which requires fund balance for governmental funds be reported in classifications that "comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent." Fund balance is first categorized as nonspendable or spendable, with nonspendable fund balance being those amounts that are not in spendable form or are legally or contractually required to be maintained intact. Fund balance that is categorized as spendable will then be further classified as restricted, committed, assigned, or unassigned based on the relative strength of the constraints that control how the specific amounts can be spent. Fund balance should be reported as restricted when the constraints on the use of its resources are either: (1) externally imposed by grantors, contributors, creditors, or laws and regulations; or (2) imposed by law through enabling legislation. These resources can be expended only for the stipulated purpose. Committed fund balance includes amounts that can be used only for the specific purpose determined by a formal action of the government's highest decision making authority. Constraints on committed amounts are imposed internally and are not legally enforceable, as with restricted amounts. Assigned fund balance amounts are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed. "Assigned" fund balance is a new term that replaces the former term "designated" fund balance. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts that are not contained in the other classifications.

As of September 30, 2013, the County's governmental funds reported combined ending fund balances of $12,105,599, representing a decrease of 23% from 2012.

Peach County's Governmental Fund Balance

	General Fund	Water, Sewer, & Waste Water Treatment System Fund	2004 SPLOST Fund	2008 SPLOST Fund	Other Governmental Funds	Totals Governmental Funds	Percentage of Total
Nonspendable:							
Prepaid items	$ 560,933	$ -	$ -	$ -	$ -	$ 560,933	4.63 %
Restricted for:							
Capital projects	-	2,476,628	1,139,376	3,939,720	1,002	7,556,726	62.42
Judicial	-	-	-	-	28,454	28,454	0.24
Public safety	-	-	-	-	156,679	156,679	1.29
Health and welfare	-	-	-	-	304	304	0.00
Conservation and development	-	-	-	-	198	198	0.00
Committed for:							
Public safety	-	-	-	-	37,304	37,304	0.31
Assigned for:							
General government	494	-	-	-	-	494	0.00
Public safety	143,343	-	-	-	-	143,343	1.18
Public works	8,682	-	-	-	-	8,682	0.07
Unassigned	3,830,079	-	-	-	(217,597)	3,612,482	29.84
Total	$ 4,543,531	$ 2,476,628	$ 1,139,376	$ 3,939,720	$ 6,344	$ 12,105,599	

The General Fund is the chief operating fund of Peach County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $3,830,079, representing a 19% decrease from 2012. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures ($15,919,300). Unassigned fund balance represents 24% of total General Fund expenditures. The total fund balance of the County's General Fund decreased by $605,298, representing a reduction of 12%. Current year expenditures of $15,919,300 represented a 2.42% increase over 2012 expenditures. However, current year revenues of $15,299,692 represented only a 1.77% increase over 2012 revenues. In reviewing the actual expenditures for 2013, there is no one single item that stands out as the primary cause for the reduction in fund balance. However, the personnel costs and cost of providing a comparable benefits package to the employees has steadily increased, and these costs are spread throughout all departments recorded in the General Fund. A 1.75% cost of living adjustment was awarded to all regular full-time and regular part-time employees for 2013. In addition,

the County experienced a 13% increase in the cost of providing health care coverage as well as an increase of 14% for providing retirement benefits to regular full time employees.

In 2013, the primary sources for capital purchases were the 2004 and 2008 SPLOST Funds, with only $389,867 applied from the General Fund for major capital purchases. More specific information concerning capital purchases is presented later in this report.

At September 30, 2013, the 2000 SPLOST Fund for Water, Sewer, and Waste Water Treatment Systems reflects a total fund balance of $2,476,628, which is a decrease of 27% from 2012. This is due to a payout of $907,174 to the City of Byron pursuant to the Third Amendment to the Intergovernmental Agreement between the Peach County Board of Commissioners, the City of Fort Valley, the Fort Valley Utility Commission, the City of Byron, and the Peach County Water & Sewerage Authority.

Although collections for the 2000 Special Purpose Local Option Sales Tax ended September 2004, funds were aggressively invested in previous years in certificates of deposit when interest rates were much more favorable, which accounts for the additional funding available over and above the $12,000,000 approved in the SPLOST referendum.

Funding from the 2000 SPLOST has been used to complete the Peach County Watershed Assessment Study and the GANO Water & Sewer System Project. In addition, intergovernmental agreements were signed by the Peach County Board of Commissioners, the City of Fort Valley, the Fort Valley Utility Commission, the City of Byron, and the Peach County Water & Sewerage Authority to distribute funding to the City of Fort Valley and the City of Byron for water, sewer, and waste water projects. Fort Valley was designated to receive a total of $7,500,000, which included a distribution of $3,500,000 toward the renovation of the Walter S. Lanter Waste Water Treatment Facility in Fort Valley and $4,000,000 toward the construction of waste water collection and treatment infrastructure in the eastern section of Peach County along Georgia Highway 96. The City of Byron was designated to receive $4,500,000 toward the renovation and expansion of the waste water treatment facility in the City of Byron and $1,000,000 for constructing and providing waste water collection and treatment infrastructure in Peach County extending from Hawk's Ridge Subdivision along easements for school property across Kay Road north along Jones Road and along Georgia Highway 247 Connector and Houser's Mill Road to Interstate Highway 75.

During 2009, the City of Fort Valley/Fort Valley Utility Commission was reimbursed the remainder of its allotted appropriation of $7,094,573 for work completed on the Walter S. Lanter Waste Water Plant Renovation Project and the East Peach Sewer Project. The City of Byron has been reimbursed a total of $398,496 for construction completed on the Hawk's Basin Sewer System Project and for engineering work completed on the proposed upgrade of its waste water treatment facility.

By intergovernmental agreement approved in November 2008, the remaining balance in the 2000 SPLOST Fund for Water, Sewer, and Waste Water Treatment Systems was to be allocated to the Peach County Board of Commissioners for the purpose of providing extensions of water lines in and along the areas of Houser's Mill Landfill, Clint Howard Road, and McDonald Drive in Peach County, with any remaining funds being applied by the Board of Commissioners of Peach County at the discretion of the Board of Commissioners to provide extensions of water lines in unincorporated areas of the County. The City of Byron later determined that the proposed upgrade and renovation of its existing wastewater treatment facility is cost prohibitive and therefore, infeasible. The City of Byron has contracted with the Macon Water Authority to treat the City of Byron's wastewater and requested that the intergovernmental agreement be renegotiated to assist in constructing the wastewater transportation lines and required lift stations for the connection to the Macon Water Authority system.

In 2011, a Third Amendment to the Intergovernmental Agreement was adopted which abandoned the extension of water lines in and along the areas of Houser's Mill Landfill, Clint Howard Road, and McDonald Drive and designated $3,200,000 to be applied to the portion of the City of Byron's connection to the Macon Water Authority sewer system

that falls within the boundaries of Peach County. In 2013, the City of Byron received additional reimbursements of $907,174, for a total payout through September 30, 3013, of $2,944,094 for work completed on the Macon Water Authority project. All remaining funds which have not been designated by Intergovernmental Agreement will be allocated at the sole discretion of the Board of Commissioners, who by Board action, have designated will be applied to sewer improvements in the Southwest Peach County area in and around the Ponderosa subdivision.

In 2012, Peach County was notified that it had been approved to receive an additional $500,000 through a Community Development Block Grant to supplement funding for the sewer project in Southwest Peach County in an area of low to moderate income within the project area. Also, an additional $2,000,000 was approved by the Peach County voters in the 2012 SPLOST Referendum to be applied to the southwest Peach sewer project. The engineering phase of this project has been completed, and bid solicitation documents for project construction are being prepared for early 2014.

The fund balance for the 2004 Special Purpose Local Option Sales Tax decreased by 67% during the current fiscal year. Sales tax collections applied to the 2004 SPLOST concluded March 31, 2009, and the fund balance in this fund will continue to diminish as approved projects are completed. Major projects still underway include the renovation and expansion of the Peach County Law Enforcement Center, Phase II renovations of the E911 Center, and additional road upgrading and paving projects.

Sales tax collections since April 1, 2009, are now applied to the 2008 Special Purpose Local Option Sales Tax, and fund balance at September 30, 2013, was $3,939,720. The SPLOST calls for a total collection of $24,000,000, to be applied to the following project areas:

APPROVED 2008 SPLOST DISTRIBUTION

	Peach County	Fort Valley	Byron	Total
Road, Street, and Bridge Purposes	$ 3,000,000	$ -	$ 1,566,000	$ 4,566,000
Buildings - Law Enforcement Center	$ 9,000,000	$ -	$ -	$ 9,000,000
Buildings - County Courthouse	$ 130,000	$ -	$ -	$ 130,000
Buildings - Spruce Street Complex	$ 395,000	$ -	$ -	$ 395,000
Buildings - Thomas Public Library	$ 25,000	$ -	$ -	$ 25,000
Cultural, Historical and Recreation Facilities	$ 700,000	$ 75,000	$ 75,000	$ 850,000
Water, Sewer, & Stormwater Projects	$ -	$ 2,500,000	$ 1,044,000	$ 3,544,000
Debt Retirement - County	$ 1,325,000	$ -	$ -	$ 1,325,000
Public Safety Facilities	$ 475,000	$ -	$ -	$ 475,000
Public Safety Equipment	$ 1,002,000	$ 500,000	$ -	$ 1,502,000
Animal Control Facilities/ Vehicles, Equipment	$ 400,000	$ -	$ -	$ 400,000
Bond Interest and Costs of Issuance	$ 1,398,000	$ -	$ 390,000	$ 1,788,000
Totals	$ 17,850,000	$ 3,075,000	$ 3,075,000	$ 24,000,000

In 2009, Peach County issued general obligation bonds in the amount of $15,015,000. The bond proceeds are being used to finance the acquisition and construction of a number of the capital projects listed above, to include the expansion and renovation of the Peach County Law Enforcement Center, further renovations at the Spruce Street Complex, the construction of a new Public Safety Facility, and the purchase of public safety equipment.

The telephone landline and wireless service fees charged to customers and paid back to Peach County to fund E911 services are insufficient to cover the entire cost of operating E911. The General Fund supplements the E911 operation to cover costs not funded by these fees. In 2013, the General Fund supplemented E911 operations by $828,232, representing 70% of the total E911 expenditures of $1,177,800. The fee to Peach County residents for landline and wireless is $1.50 per line per month.

Proprietary funds. Peach County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Solid Waste Collection Fund at the end of the year was a deficit $105,250, illustrating that the previous annual fees of $144 per residential unit on the tax digest in the unincorporated area of Peach County are no longer sufficient to cover the cost of this service. Other factors concerning the finances for this fund have already been addressed in the discussion of Peach County's business-type activities.

General Fund Budgetary Highlights

All budget amendments are presented and approved by the governing body. Differences between the original budget and the final amended budget can be briefly summarized as follows:

- Decrease in general government functions - $2,189,407;
- Increase in judicial functions - $173,881;
- Increase in public safety functions - $1,527,380;
- Increase in public works functions - $336,805;
- Increase in health and welfare functions - $9,604;
- Increase in culture and recreation functions - $45,878; and
- Increase in conservation and development functions - $76,805.

At the time that the 2013 Budget was originally adopted, all employee benefits, including health insurance, FICA, workers' compensation, etc., were included in their entirety in the general government budget. A budget amendment was processed to reallocate these budget amounts at the department level, which accounts for the majority of the adjustments listed above.

During the current year, revenues exceeded General Fund budgetary estimates by $135,336. Expenditures fell short of budgetary estimates by $3,181.

Capital Asset and Debt Administration

Capital Assets. Peach County's investment in capital assets for its governmental activities as of September 30, 2013, amounted to $46,513,662 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, and bridges. There are no capital assets assigned to business-type activities.

Peach County's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Activities	
	2013	2012	2013	2012	2013	2012
Capital assets not being depreciated	$ 12,940,512	$ 14,272,087	$ -	$ -	$ 12,940,512	$ 14,272,087
Buildings	6,213,752	5,720,728	-	-	6,213,752	5,720,728
Improvements other than buildings	2,180,920	1,636,637	-	-	2,180,920	1,636,637
Infrastructure	21,513,574	22,698,525	-	-	21,513,574	22,698,525
Equipment	3,664,904	3,426,151	-	-	3,664,904	3,426,151
Total	$ 46,513,662	$ 47,754,128	$ -	$ -	$ 46,513,662	$ 47,754,128

Peach County's Capital Assets Installed in 2013

ID #	CAPITAL PROJECT	FUNDING SOURCE		AMOUNT
1560	Manatron Computer Software	General Revenues	$	18,860
1561	Monitor E Series	General Revenues	$	9,312
1562	Radio Equipment-Voter Receiver-Byron	General Revenues	$	7,688
1563	Improvements - Scoreboard SPP	General Revenues	$	6,374
1567	Vehicle – Sheriff	General Revenues	$	43,393
1568	Vehicle – Sheriff	General Revenues	$	43,393
1569	Vehicle – Sheriff	General Revenues	$	29,337
1572	Road Equipment - Vehicle Lift	General Revenues	$	6,164
1574	Vehicle - Code Enforcement	General Revenues	$	20,334
1577	Computers - Dell Server - Fire Station	General Revenues	$	7,216
1578	Computers - Dell Server - BOC	General Revenues	$	5,998
1582	Road Equipment - Track Loader	General Revenues	$	37,000
1557	Road Equipment - Hydro Jetter	2004 SPLOST	$	21
1564	Road Equipment - Crack Sealer	2004 SPLOST	$	47,698
1565	Road Equipment - 1999 CAT 615C Pan	2004 SPLOST	$	25,000
1570	Straw Blower	2004 SPLOST	$	6,900
1566	Modular Furnishing Unit - Transit Office	ARRA	$	16,149
1584	Land - 10 acres - James E. Khoury Blvd.	DONATED	$	132,000
			$	462,834

A number of projects previously recorded in Construction in Progress (CIP) were transferred to the County's listing of capital assets effective September 30, 2013, and will now be depreciated with other installed capital assets.

	TRANSFERRED FROM CIP 9/30/2013		CIP BALANCE at 9/30/2012	ADDITIONAL in 2013	TRANSFER OUT of CIP at 9/30/2013
1554	Upgrade to Narrow-Band Radio System	General Revenues	$ 134,230	$ 145,013	$ 279,243
1389	Courthouse Security System Upgrades	2004 SPLOST	$ 81,394	$ -	$ 81,394
1391	North Peach Park Amphitheater	2004 SPLOST	$ 6,200	$ -	$ 6,200
1400	Renovation -Wing C-Spruce Street	2004 SPLOST	$ 31,140	$ -	$ 31,140
1540	Spruce Street - Wings A&B Bathrooms	2004 SPLOST	$ 97,965	$ -	$ 97,965
1542	Spruce Street - DFCS Bathrooms	2008 SPLOST	$ 44,779	$ 24,451	$ 69,230
1430	Public Safety Facility Construction	2008 SPLOST	$ 557,413	$ -	$ 557,413
1442	Improvements - North Peach Park	2008 SPLOST	$ 590,055	$ -	$ 590,055
1541	Public Safety Facility Parking Lot	2008 SPLOST	$ 161,184	$ -	$ 161,184
1543	LEC Access Road	2008 SPLOST	$ 37,834	$ -	$ 37,834
1555	Communications Tower	2008 SPLOST	$ 64,627	$ 173,565	$ 238,192
			$ 1,806,821	$ 343,029	$ 2,149,850

Major capital projects begun or continued in 2013, but not fully completed at September 30, 2013, included the following:

- At September 30, 2013, engineered drawings had been completed for the construction of an Animal Control Facility that will be located adjacent to the Peach County Law Enforcement Center on Spruce Street. This project was approved in the 2008 Special Purpose Local Option Sales Tax referendum. This project was put out for bid in 2011, but bids received exceeded available funding. Plans are being re-engineered to bring costs more in line with available funding. No additional expenditures were made toward the completion of this project in 2013. Therefore, construction in progress on this project remained at $31,123 at the close of 2013.

- At September 30, 2013, work was nearing completion on the second phase of renovating the remainder of the E911 Facility on Persons Street in Fort Valley. The facility is now housing the Commissioners' Office and staff and providing a larger facility for holding public meetings and functions. At September 30, 2013, construction in progress on this project was recorded at $253,597.

- Work is continuing to improve drainage and make road improvements to Fullwood Road, Clint Howard Road, Brock Road, Gracewood Road, Newell Road, Camp John Hope Road, and Smyrna Church Road. Mathews Road has been paved and is nearing completion. Construction in progress on these projects was recorded as $522,470 at September 30, 2013.

- The construction and renovation of the Peach County Law Enforcement Center is nearing completion. This project is being funded by the 2004 and 2008 Special Purpose Local Option Sales Taxes. This project will vastly increase the level of security at the LEC as well as provide much needed inmate bed space. Work on this project is scheduled to be completed in 2014. Construction in progress for this project was recorded at $9,429,955 at September 30, 2013.

- Work is just underway to construct an alternate entrance into South Peach Recreation Park. The proposed design has the new entrance coming off of Courtland Avenue in Fort Valley. Peach County obtained the majority of land needed for the road through a land transfer with the City of Fort Valley. Peach County agreed to exchange its property located on Jailhouse Alley where the Fort Valley station of the Peach County Emergency Medical Service was located prior to moving to the new Public Safety Facility. The project is in the design phase and will require some significant drainage improvements prior to construction. This project was recorded at $94 construction in progress at September 30, 2013.

- Site and building design has been completed for the Regional Workforce Development Center to be located on James E. Khoury Boulevard in the South Peach Industrial Park. Site preparation will be performed by Peach County Road Department crews, and this work is underway. Facility construction bids will be solicited in 2014. Central Georgia Technical College will occupy the facility and provide needed training for students in the Middle Georgia area. The school will also be moving its Commercial Drivers License Program to this campus. Expenses on this project were recorded at $210,548 at September 30, 2013.

- Work is nearing completion on converting the old Fire Station #3 Building into a Public Works Operations Center to provide needed space for Public Works Building and Road Crews to work and perform necessary administrative duties. At September 30, 2013, construction in progress on this project was recorded at $9,788.

	CONSTRUCTION IN PROGRESS AT 9/30/2013			Balance
1575	Public Works Operations Center	General Revenues	$	9,788
1579	Workforce Development Center	EIP/OneGA Grants	$	210,548
1390	E911 Facility Renovation - Phase II	2004 SPLOST	$	253,597
1422	Road Improvements - Mathews Road	2004 SPLOST	$	143,445
1423	Road Improvements - Gracewood	2004 SPLOST	$	4,729
1426	Road Improvements - Fullwood Road	2004 SPLOST	$	188,180
1428	Road Improvements - Clint Howard Road	2004 SPLOST	$	42,858
1436	Road Improvements - Smyrna Church Road	2004 SPLOST	$	55,114
1441	Road Improvements - Brock Road	2004 SPLOST	$	4,500
1580	Road Improvements - Newell Road	2004 SPLOST	$	36,313
1581	Road Improvements - Camp John Hope RD	2004 SPLOST	$	47,331
1431	LEC Renovation and Expansion	2008 SPLOST	$	9,429,955
1516	Animal Control Facility	2008 SPLOST	$	31,123
1583	South Peach Recreation Park –New Entrance Road	2008 SPLOST	$	94
			$	10,457,576

The 2004 Special Purpose Local Option Sales Tax provided funding for 19% of the capital assets installed in 2013, while the 2008 Special Purpose Local Option Sales Tax provided funding for 17%. General revenues provided funding for only 34% of capital assets installed. A grant under the American Recovery and Reinvestment Act of 2009 provided 1% of capital asset funding, and 18% of capital funding for 2013 is scheduled to be reimbursed under the Employment Incentive Program and OneGeorgia Programs. Donated assets accounted for 11% of the capital assets installed in 2013. The E911 Fund contributed no funding to capital assets in 2013.

Peach County's 2013 Funding Sources for Capital Assets

General Revenues	$	389,867
2004 SPLOST	$	214,936
2008 SPLOST	$	198,109
E911	$	-
ARRA Funding	$	16,149
EIP/OneGA	$	210,548
Donated Assets	$	132,000
	$	1,161,609

Additional information on the County's capital assets can be found in Note 6 of this report.

Long-Term Debt. As of September 30, 2013, Peach County's long-term debt for Governmental Activities totaled $8,096,187, which consisted of the following items:

Bonds payable were recorded at $5,506,412 as of September 30, 2013. The bond proceeds of $15,015,000 received in 2009 have been used to finance the acquisition and construction of a number of capital projects, to include the expansion and renovation of the Peach County Law Enforcement Center, further renovations at the Spruce Street Complex, the construction of a new Public Safety Facility, and the purchase of public safety equipment. This amount includes $5,365,039 as bonds payable and $141,373 unamortized premium.

Compensated Absences were recorded at $456,234 as of September 30, 2013. This includes the value of accrued and unused annual leave for all regular employees at the close of the budget year.

Peach County had no notes payable as of September 30, 2013.

Landfill Post Closure Costs were recorded at $2,133,541 as of September 30, 2013. At September 30, 2012, landfill post closure costs had been recorded at $1,843,000. However, it was subsequently determined that a restatement was necessary to the 2013 beginning amount to include an additional $431,572 in post closure costs, which represents Peach County's 47.93% pro rata ownership in the Macon County Landfill through an agreement with the Middle Georgia Regional Solid Waste Management Authority, which includes Macon County, Dooly County, and Peach County. The total for post closure care costs also includes the estimated cost of maintaining and monitoring the Houser's Mill Landfill over the final 12 years of the required 30 year period since the landfill's closure in 1995.

Additional information on the County's long-term debt, the County's relationship and financial responsibility to the Middle Georgia Regional Solid Waste Management Authority, and the restatement of post closure care costs can be found in Note 7, Note 12, and Note 15 of this report.

Economic Factors and Next Year's Budgets

- The unemployment rates for Peach County have been steadily increasing since 2007 when the rate was a much more favorable 5.1%. The rate appeared to peak in 2012 at 12.0%, and showed a slight improvement in 2011 at 10.5%. However, the rate provided by the Georgia Department of Labor for Peach County for December 2013 was 11.2%, which compares unfavorably to the middle Georgia regional rate of 7.8% and the statewide rate of 7.4%. This rate also compares unfavorably to the national rate of 6.7% as provided by the U. S. Department of Labor. Peach County's high unemployment rate will continue to have an adverse effect on sales tax collections because of reduced incomes causing reduced spending ability.

- Peach County has been awarded a $500,000 grant through the Employment Incentive Program and an additional grant award of $500,000 through the OneGeorgia Authority, to provide funding to assist in the construction of a Workforce Development Center. Peach County is partnering with the Central Georgia Technical College on this project. The Development Authority of Peach County has donated approximately ten (10) acres in the Peach County Industrial Park on James E. Khoury Boulevard for the facility. This funding will be applied to an additional $3,000,000 which was approved in the 2012 SPLOST Referendum. The primary focus of this project is to enhance the local workforce by providing even more accessible educational opportunities to reduce the unemployment rates of individuals living in the middle Georgia area.

- In 2013, Peach County was also notified that it had been approved to receive $500,000 through a Community Development Block Grant to supplement the remaining funds from the 2000 SPLOST Fund being applied to the sewer project in southwest Peach County in an area of low to moderate income within the project area. Also, an additional $2,000,000 was approved by the Peach County voters in the 2012 SPLOST Referendum to be applied to the southwest Peach sewer project. The engineering phase of this project was completed at the close of 2013, and the project was ready to go out for bid.

- In an attempt to control costs, no cost of living adjustment was approved for regular and part-time employees for 2014, and all position vacancies were to be reconsidered and approved based on necessity by the Board of Commissioners prior to being refilled.

- The 2012 SPLOST referendum was placed on the ballot and approved by the voters on March 6, 2012. This SPLOST will be a continuation of the current SPLOST, with collections scheduled to begin in April 2015. Projects included in the 2012 SPLOST Referendum are:

	PEACH COUNTY	FORT VALLEY	BYRON	TOTAL
Capital Outlay Projects for Road, Street, and Bridge Purposes (Includes Stormwater and Drainage)	$ 3,800,000	$ 1,453,000	$ 2,815,575	$ 8,068,575
Capital Outlay Projects for Courthouses, Administrative Buildings, Civic Centers, Library, Detention Facility, Solid Waste Facility	$ 4,140,000	$ 1,151,000	$ 32,550	$ 5,323,550
Capital Outlay Projects to be owned or operated or both either by the County, one or more qualified municipalities, one or more local authorities, or any combination thereof	$ 2,075,000	$ -	$ 651,000	$ 2,726,000
Capital Outlay Projects for Cultural Facilities, Recreation Facilities, or Historic Facilities	$ 400,000	$ 651,000	$ 32,550	$ 1,083,550
Capital Outlay Projects consisting of public safety facilities, airport facilities, or related capital equipment used in the operation of public safety or airport facilities, or any combination of such purposes	$ 3,348,000	$ 651,000	$ 374,325	$ 4,373,325
Capital Outlay Projects consisting of capital equipment for use in voting in official elections or referendums	$ 125,000	$ -	$ -	$ 125,000
Totals	$ 13,888,000	$ 3,906,000	$ 3,906,000	$21,700,000

- In 2013, Peach County negotiated a one year Local Option Sales Tax distribution certificate with the four (4) municipalities in Peach County. The cities of Warner Robins and Perry have now been included in the distribution based on their percentage of total municipal population in Peach County. The distributions to Warner Robins and Perry were deducted from the distributions previously approved for Peach County and the cities of Fort Valley and Byron based on each entity's previous distribution percentage. The new distribution is as follows:

ENTITY	% DISTRIBUTION
Peach County	59.30%
City of Fort Valley	31.14%
City of Byron	8.40%
City of Perry	0.17%
City of Warner Robins	0.99%
	100.00%

- The $144 annual solid waste fee originally established for providing door to door residential solid waste collection in the unincorporated areas of Peach County has become insufficient to cover the cost of the services provided. The Solid Waste Fund has experienced overages in most of the years since 2007 and has required supplemental funding from the General Fund. Because of this, action was taken in 2013 to increase the annual solid waste fee from $144 to $204 for each residential unit on the tax digest. This increase should provide adequate funding to provide solid waste collection services in the unincorporated areas of the County without requiring supplemental funding from the General Fund.

Requests for Information

This financial report is designed to provide a general overview of Peach County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Marcia W. Johnson, Peach County Administrator, Peach County, 213 Persons Street, Fort Valley, Georgia 31030.

PEACH COUNTY, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 12,455,303	$ 8,522	$ 12,463,825
Investments	6,109	-	6,109
Taxes receivable	7,913,393	-	7,913,393
Accounts receivable, net of allowances	391,216	955,956	1,347,172
Due from other governments	583,743	-	583,743
Prepaid expenses	560,933	-	560,933
Capital assets:			
Nondepreciable	12,940,512	-	12,940,512
Depreciable, net of accumulated depreciation	33,573,150	-	33,573,150
Other noncurrent asset	83,779	-	83,779
Total assets	68,508,138	964,478	69,472,616
LIABILITIES			
Accounts payable	951,779	80,049	1,031,828
Accrued liabilities	452,233	-	452,233
Unearned revenues	8,090,661	1,001,361	9,092,022
Due to other governments	-	-	-
Internal balances	11,682	(11,682)	-
Bonds payable due within one year	2,740,000	-	2,740,000
Bonds payable due in more than one year, net of unamortized premium	2,766,412	-	2,766,412
Compensated absences due within one year	364,987	-	364,987
Compensated absences due in more than one year	91,247	-	91,247
Landfill post closure care due within one year	141,831	-	141,831
Landfill post closure care due in more than one year	1,991,710	-	1,991,710
Total liabilities	17,602,542	1,069,728	18,672,270
NET POSITION			
Net investment in capital assets	41,007,250	-	41,007,250
Restricted for:			
Capital projects	7,556,726	-	7,556,726
Judicial	28,454	-	28,454
Public safety	156,679	-	156,679
Health and welfare	304	-	304
Conservation and development	198	-	198
Permanent fund	-	-	-
Unrestricted	2,155,985	(105,250)	2,050,735
Total net position	$ 50,905,596	$ (105,250)	$ 50,800,346

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

Component Units		
Development Authority	Peach Public Libraries	Health Department
$ 347,938	$ 152,303	$ 628,833
704,067	132,969	-
-	-	-
-	2,267	32,612
-	-	3,654
3,437	-	-
360,812	167,000	-
4,289,886	1,554,512	-
-	-	-
5,706,140	2,009,051	665,099
2,042	497	3,445
4,558	-	-
-	-	-
-	-	355
-	-	-
426,000	-	-
105,000	-	-
-	6,067	6,885
-	14,408	38,108
-	-	-
-	-	-
537,600	20,972	48,793
4,119,698	1,721,512	-
-	-	-
-	-	-
-	-	-
-	-	-
-	30,922	-
1,048,842	235,645	616,306
$ 5,168,540	$ 1,988,079	$ 616,306

PEACH COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 6,405,673	$ 459,957	$ 14,502	$ -
Judicial	1,623,734	643,878	8,309	-
Public safety	8,633,889	1,582,394	125,235	3,841
Public works	2,731,211	31,795	-	202,700
Health and welfare	744,636	-	163,509	12,373
Culture and recreation	791,005	48,601	-	-
Conservation and development	601,800	83,884	-	-
Interest on long-term debt	238,350	-	-	-
Total governmental activities	21,770,298	2,850,509	311,555	218,914
Business-type activities:				
Solid waste	857,052	763,484	-	-
Total business-type activities	857,052	763,484	-	-
Total primary government	$ 22,627,350	$ 3,613,993	$ 311,555	$ 218,914
Component units:				
Development Authority	$ 381,877	$ 379,008	$ 347,541	$ -
Peach Public Libraries	461,656	16,817	391,661	-
Health Department	488,145	161,938	373,557	-
Total component units	$ 1,331,678	$ 557,763	$ 1,112,759	$ -
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Hotel/motel taxes				
Other taxes				
Unrestricted investment earnings				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

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

Changes in Net Position					
			Component Units		
Governmental Activities	Business-type Activities	Total	Development Authority	Peach Public Libraries	Health Department
$ (5,931,214)	$ -	$ (5,931,214)	$ -	$ -	$ -
(971,547)	-	(971,547)	-	-	-
(6,922,419)	-	(6,922,419)	-	-	-
(2,496,716)	-	(2,496,716)	-	-	-
(568,754)	-	(568,754)	-	-	-
(742,404)	-	(742,404)	-	-	-
(517,916)	-	(517,916)	-	-	-
(238,350)	-	(238,350)	-	-	-
(18,389,320)	-	(18,389,320)	-	-	-
-	(93,568)	(93,568)	-	-	-
-	(93,568)	(93,568)	-	-	-
(18,389,320)	(93,568)	(18,482,888)	-	-	-
-	-	-	344,672	-	-
-	-	-	-	(53,178)	-
-	-	-	-	-	47,350
-	-	-	344,672	(53,178)	47,350
9,739,528	-	9,739,528	-	-	-
5,850,561	-	5,850,561	-	-	-
578,257	-	578,257	-	-	-
6,600	-	6,600	-	-	-
177,227	-	177,227	-	-	-
6,240	-	6,240	788	659	566
11,682	(11,682)	-	-	-	-
16,370,095	(11,682)	16,358,413	788	659	566
(2,019,225)	(105,250)	(2,124,475)	345,460	(52,519)	47,916
52,924,821	-	52,924,821	4,823,080	2,040,598	568,390
$ 50,905,596	$ (105,250)	$ 50,800,346	$ 5,168,540	$ 1,988,079	$ 616,306

PEACH COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

ASSETS	General Fund	Water, Sewer, & Waste Water Treatment System Fund	2004 SPLOST Fund	2008 SPLOST Fund	Other Governmental Funds	Totals Governmental Funds
Cash and cash equivalents	$ 4,549,392	$ 2,715,709	$ 1,434,875	$ 3,642,737	$ 112,590	$ 12,455,303
Investments	-	-	-	-	6,109	6,109
Taxes receivable, net	7,912,817	-	-	-	576	7,913,393
Accounts receivable, net	310,854	-	-	-	80,362	391,216
Prepaid items	560,933	-	-	-	-	560,933
Due from other governments	216,393	-	-	296,983	70,367	583,743
Due from other funds	31,464	-	37,000	-	263	68,727
Advance to other funds	217,597	-	-	-	-	217,597
Total assets	$ 13,799,450	$ 2,715,709	$ 1,471,875	$ 3,939,720	$ 270,267	$ 22,197,021
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 365,887	$ 227,681	$ 332,499	$ -	$ 25,712	$ 951,779
Accrued liabilities	388,695	-	-	-	550	389,245
Due to other funds	48,945	11,400	-	-	20,064	80,409
Advance from other funds	-	-	-	-	217,597	217,597
Total liabilities	803,527	239,081	332,499	-	263,923	1,639,030
DEFERRED INFLOWS OF RESOURCES						
Unavailable tax revenue	8,452,392	-	-	-	-	8,452,392
Total deferred inflows of resources	8,452,392	-	-	-	-	8,452,392
FUND BALANCES						
Nonspendable:						
Prepaid items	560,933	-	-	-	-	560,933
Restricted for:						
Capital projects	-	2,476,628	1,139,376	3,939,720	1,002	7,556,726
Judicial	-	-	-	-	28,454	28,454
Public safety	-	-	-	-	156,679	156,679
Health and welfare	-	-	-	-	304	304
Conservation and development	-	-	-	-	198	198
Committed for:						
Public safety	-	-	-	-	37,304	37,304
Assigned for:						
General government	494	-	-	-	-	494
Public safety	143,343	-	-	-	-	143,343
Public works	8,682	-	-	-	-	8,682
Unassigned	3,830,079	-	-	-	(217,597)	3,612,482
Total fund balances	4,543,531	2,476,628	1,139,376	3,939,720	6,344	12,105,599
Total liabilities deferred inflows of resources and fund balances	$ 13,799,450	$ 2,715,709	$ 1,471,875	$ 3,939,720	$ 270,267	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	46,513,662
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	361,731
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.	(8,159,175)
Net pension asset used in governmental activities is not a financial resource and, therefore, is not reported in the funds.	83,779
Net position of governmental activities	$ 50,905,596

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

PEACH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	General Fund	Water, Sewer, & Waste Water Treatment System Fund	2004 SPLOST Fund	2008 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 9,739,656	$ -	$ -	$ -	$ -	$ 9,739,656
Sales taxes	2,194,216	-	-	3,656,345	-	5,850,561
Other taxes	755,484	-	-	-	6,600	762,084
Licenses and permits	138,154	-	-	-	-	138,154
Intergovernmental	209,604	-	195,889	-	110,374	515,867
Charges for services	1,836,602	-	-	-	434,513	2,271,115
Fines and forfeitures	318,328	-	-	-	25,373	343,701
Rental income	7,633	-	-	-	-	7,633
Interest income	6,160	3,775	3,037	3,841	80	16,893
Other revenues	93,855	-	-	-	-	93,855
Total revenues	15,299,692	3,775	198,926	3,660,186	576,940	19,739,519
Expenditures						
Current:						
General government	3,033,894	-	-	-	-	3,033,894
Judicial	1,608,985	-	-	-	16,552	1,625,537
Public safety	7,938,845	-	-	-	371,618	8,310,463
Public works	1,243,912	-	-	-	-	1,243,912
Health and welfare	621,725	-	-	-	110,549	732,274
Culture and recreation	658,386	-	-	-	-	658,386
Conservation and development	813,553	-	-	-	12,640	826,193
Intergovernmental	-	922,286	1,800,000	356,117	-	3,078,403
Capital outlay	-	-	683,213	4,922	217,597	905,732
Debt service:						
Principal	-	-	-	2,599,961	-	2,599,961
Interest	-	-	-	383,950	-	383,950
Total expenditures	15,919,300	922,286	2,483,213	3,344,950	728,956	23,398,705
Excess (deficiency) of revenues over (under) expenditures	(619,608)	(918,511)	(2,284,287)	315,236	(152,016)	(3,659,186)
Other financing sources:						
Proceeds from sale of assets	8,866	-	-	-	-	8,866
Transfers in	5,444	-	-	-	6,238	11,682
Total other financing sources	14,310	-	-	-	6,238	20,548
Net change in fund balances	(605,298)	(918,511)	(2,284,287)	315,236	(145,778)	(3,638,638)
Fund balance, beginning of year	5,148,829	3,395,139	3,423,663	3,624,484	152,122	15,744,237
Fund balance, end of year	$ 4,543,531	$ 2,476,628	$ 1,139,376	$ 3,939,720	$ 6,344	$ 12,105,599

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

PEACH COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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

Net change in fund balances - total governmental funds	$	(3,638,638)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		(1,209,915)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(30,551)
Some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(128)
The issuance of long-term debt provides current financial resources to governmental funds, while the 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.		2,741,792
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		118,215
	$	(2,019,225)

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

PEACH COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Property taxes	$ 9,469,287	$ 9,589,106	$ 9,739,656	$ 150,550
Sales taxes	2,314,132	2,194,215	2,194,216	1
Other taxes	696,170	755,460	755,484	24
Licenses and permits	121,468	138,154	138,154	-
Intergovernmental	221,312	209,603	209,604	1
Charges for services	2,441,499	1,851,839	1,836,602	(15,237)
Fines and forfeitures	325,590	318,329	318,328	(1)
Rental income	8,000	7,633	7,633	-
Interest income	21,222	6,161	6,160	(1)
Other revenues	17,518	93,856	93,855	(1)
Total revenues	15,636,198	15,164,356	15,299,692	135,336
Expenditures:				
Current:				
General government:				
County Commissioners	562,389	708,396	708,386	10
Elections	174,542	150,097	149,889	208
Board of Equalization	6,010	4,250	4,248	2
Data processing	223,380	256,950	256,944	6
Human resources	2,546,321	6,425	6,423	2
Tax Commissioner	246,626	299,771	299,755	16
Tax Assessor	366,735	444,745	444,736	9
Risk management	407,300	407,990	407,989	1
General government buildings and plant	583,163	648,480	648,130	350
Records management	500	180	180	-
Other general government	107,274	107,549	107,214	335
Total general government	5,224,240	3,034,833	3,033,894	939
Judicial:				
Superior Court	96,541	112,905	112,269	636
Clerk of Superior Court	218,670	270,003	269,884	119
District Attorney	234,862	236,326	236,246	80
District Attorney - Victim Witness	77,035	86,129	86,035	94
Magistrate Court	190,916	239,956	239,814	142
Probate Court	219,306	288,179	288,118	61
Juvenile Court	99,102	85,914	85,707	207
Public Defender	300,012	290,913	290,912	1
Total judicial	1,436,444	1,610,325	1,608,985	1,340
Public safety:				
Sheriff	1,863,110	2,200,505	2,203,251	(2,746)
Jail	1,695,916	1,966,960	1,966,792	168
Drug rehab and training	60,185	73,886	73,765	121
Probation	1,200	1,000	984	16
Fire department	1,014,475	1,160,621	1,160,495	126
Emergency medical services	1,120,870	1,417,906	1,416,506	1,400
Coroner	26,578	38,108	37,974	134
E911	558,479	827,882	828,232	(350)
Emergency management	69,747	251,072	250,846	226
Total public safety	6,410,560	7,937,940	7,938,845	(905)

(Continued)

PEACH COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Public works:				
Public works department	$ 222,786	$ 224,148	$ 223,770	$ 378
Roadways and walkways	551,282	715,437	714,990	447
Stormwater	-	57,668	57,663	5
Solid waste disposal	12,908	18,510	18,510	-
Solid waste recycling	118,111	146,450	146,301	149
Closure and post closure	3,000	82,679	82,678	1
Total public works	908,087	1,244,892	1,243,912	980
Health and Welfare:				
Health	95,300	95,000	95,000	-
Hospital indigent care	450,000	450,000	450,000	-
Welfare	25,900	24,400	24,400	-
Community services	40,926	52,330	52,325	5
Total health and welfare	612,126	621,730	621,725	5
Recreation:				
Recreation department	318,590	365,791	365,296	495
Libraries	294,430	293,107	293,090	17
Total recreation	613,020	658,898	658,386	512
Conservation and development:				
County agent	37,115	40,026	39,924	102
Georgia Forestry Commission	3,159	3,159	3,159	-
Planning and zoning	180,225	254,009	253,760	249
Economic development administration	511,559	511,569	511,403	166
Community promotion	-	100	307	(207)
Economic opportunity	5,000	5,000	5,000	-
Total conservation and development	737,058	813,863	813,553	310
Total expenditures	15,941,535	15,922,481	15,919,300	3,181
Excess (deficiency) of revenues over (under) expenditures	(305,337)	(758,125)	(619,608)	138,517
Other financing sources (uses):				
Proceeds from sale of assets	-	8,865	8,866	1
Transfers in	-	384,187	5,444	(378,743)
Transfers out	(13,340)	(13,340)	-	13,340
Total other financing sources (uses)	(13,340)	379,712	14,310	(365,402)
Net change in fund balances	(318,677)	(378,413)	(605,298)	(226,885)
Fund balance, beginning of year	5,148,829	5,148,829	5,148,829	-
Fund balance, end of year	$ 4,830,152	$ 4,770,416	$ 4,543,531	$ (226,885)

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

PEACH COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Major Enterprise Fund Solid Waste Fund
ASSETS	
CURRENT ASSETS	
Cash	$ 8,522
Accounts receivable, net of allowances	955,956
Due from other funds	11,682
Total current assets	976,160
Total assets	976,160
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	80,049
Unearned revenues	1,001,361
Total current liabilities	1,081,410
Total liabilities	1,081,410
NET POSITION	
Unrestricted	(105,250)
Total net position	$ (105,250)

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

PEACH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Major Enterprise Fund Solid Waste Fund
Operating revenue	
Refuse collection fees	$ 763,484
Total operating revenues	763,484
Operating expenses	
Contracted services	845,522
Supplies	11,530
Total operating expenses	857,052
Operating loss	(93,568)
Transfers out	(11,682)
Change in net position	(105,250)
Net position, beginning of year	-
Net position, end of year	$ (105,250)

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

PEACH COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Major Enterprise Fund Solid Waste Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 832,525
Payments to suppliers and service providers	(861,671)
Net cash used in operating activities	(29,146)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	(11,682)
Net cash used in noncapital related financing activities	(11,682)
Net decrease in cash	(40,828)
Cash and cash equivalents, beginning of year	49,350
Cash and cash equivalents, end of year	$ 8,522
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (93,568)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in accounts receivable	(932,320)
Decrease in accounts payable	(4,619)
Increase in unearned revenues	1,001,361
Net cash used in operating activities	$ (29,146)

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

PEACH COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
SEPTEMBER 30, 2013

	Agency Funds
ASSETS	
Cash	$ 1,533,862
Taxes receivable	19,439,968
Total assets	$ 20,973,830
LIABILITIES	
Due to others	$ 20,973,830
Total liabilities	$ 20,973,830

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Peach County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

Peach County, Georgia was created by a legislative act in the State of Georgia on November 4, 1924. The County operates under a five (5) member Commission appointed-Administrator form of government and provides the following services: public safety (police and fire), public works, recreation, health and welfare services, conservation and development, and general administrative services.

The Governmental Accounting Standards Board (the "GASB") defines the reporting entity as (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Government Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" as amended by Statements No. 39 and 61, the component units' financial statements have been included as discretely presented component units. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. Based upon the application of these criteria, the following is a brief review of each component unit addressed in defining the County's reporting entity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Development Authority of Peach County (the "Development Authority") is responsible for promoting industrial and commercial development within the City of Fort Valley and Peach County. The Development Authority is responsible for adopting its own annual budget and making its own operating decisions. The members of the governing board of the Development Authority are appointed by the Board of Commissioners of Peach County. Peach County provides substantially all funding for the Development Authority's annual budget and has contractually obligated itself to use its taxing powers to guarantee repayment of principal and interest on certain revenue bonds issued by the Development Authority; therefore, the Development Authority is fiscally dependent on Peach County. Separate financial statements for the Development Authority of Peach County were not prepared. Financial information for the Development Authority of Peach County is included in Peach County, Georgia's Annual Financial Report.

The Peach Public Libraries (the "Library") operates to provide public library services for the citizens of Peach County. The Library Board consists of nine members appointed by the Board of Commissioners of Peach County. The Library is without authority to determine the amount of its funding; therefore, the Library is fiscally dependent on Peach County. Separate financial statements for the Peach Public Libraries were not prepared. Financial information for the Peach Public Libraries is included in the Peach County, Georgia's Annual Financial Report.

The Peach County Health Department (the "Health Department") is governed by a seven-member board, of which five (5) members are either County officials or members appointed by the governing authority of the County. The two (2) remaining members are appointed by the City of Fort Valley. Although the County does not have the authority to approve or modify the budget of the Health Department, the County provides financial support to the Health Department. All amounts shown in the financial statements for the Health Department are for the fiscal year ended June 30, 2013.

The Peach County Health Department's financial statements may be obtained by writing to the Peach County Health Department, 406 E Church Street, Fort Valley, Georgia 31030.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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 those 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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and 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 service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major governmental funds:

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

The ***Water, Sewer and Waste Water Treatment System Fund*** is a capital projects fund used to account for capital outlays for water, sewer and waste water lines and treatment system, with financing being provided by a special purpose sales and use tax.

The ***2004 SPLOST Fund*** is a capital projects fund used to account for the revenue and expenditures relating to the 2004 one percent Special Purpose Local Option Sales Tax.

The ***2008 SPLOST Fund*** is a capital projects fund used to account for the revenue and expenditures relating to the 2008 one percent Special Purpose Local Option Sales Tax.

The County reports the following major enterprise fund:

The ***Solid Waste Fund*** is an enterprise fund that accounts for the fees and expenses associated with garbage collection and disposal services provided to the County's residents.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***Capital Project Funds*** account for the acquisition or construction of capital facilities.

The ***Trust and 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 governmental units, and/or other funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Amounts reported as *program revenues* include 1) charges for services 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. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Budgets

Formal budgetary accounting is employed as a management control device for the General Fund, Special Revenue Funds, and the Capital Project Funds. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund and Special Revenue Funds and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principle basis.

For the fiscal year ended September 30, 2013, annual budgets were adopted for the General Fund and all Special Revenue Funds. Budgets for Capital Project Funds are adopted on a project basis, spanning more than one fiscal year. The County Commission must approve any amendments to the budget. During the fiscal year ended September 30, 2013, no material budgetary amendments were approved by the County Commission.

E. Cash, Cash Equivalents and Investments

The County and discretely presented component units' 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash, Cash Equivalents and Investments (Continued)

Statutes authorize the County to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, and Georgia Fund 1, the Local Government Investment Pool. The County's investments and the investments of its component units are stated at fair value. Cash deposits are reported at carrying amount, which is fair value.

F. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statement of net position. In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds." In the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances".

G. Inventory and Prepaid Items

The cost of expendable supplies held for consumption is recorded as an operating expense/expenditure at the time of purchase and is not recorded as inventory.

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, streets, and similar items), are reported in the government-wide financial statements. Governmental (general) capital assets are recorded as expenditures in the governmental funds and capitalized at cost in the government-wide statement of net position. The County's capitalization threshold is $5,000 for all assets including infrastructure assets. Donated capital assets are recorded at estimated fair market value at the date of donation. In the case of the initial capitalization of general infrastructure items (i.e., those reported by governmental activities), the County chose to include all such items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Capital assets of the primary government are depreciated using the straight line method over the following useful lives:

Asset Category	Years
Buildings	20-50
Improvements other than buildings	20-50
Infrastructure	20-50
Equipment	5-20

Capital assets of the component units are depreciated using the straight line method over the following useful lives:

Asset Category	Years
Development Authority:	
Buildings and improvements	40
Vehicles and equipment	5
Peach Public Libraries:	
Buildings	60
Library books and materials	10
Health Department:	
Computer equipment	5
Furniture and other equipment	10

I. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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 County does not have a policy to pay any amounts when the employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Deferred Outflows / Inflows of Resources

The County implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of October 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net 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(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County had no items that qualified for reporting in this category.

In addition to liabilities, the statement of net 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 fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has 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 and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Board.

- ***Unassigned*** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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: 1) committed, 2) assigned, and 3) unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Net Position - Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

M. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $8,159,175 difference are as follows:

Bonds payable	$	(5,365,039)
Unamortized bond premium		(141,373)
Compensated absences		(456,234)
Landfill postclosure costs		(2,133,541)
Accrued interest		(62,988)
Net adjustment to reduce fund balance - total governmental funds to arrive at *net position - governmental activities*	$	(8,159,175)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense." The details of this $1,209,915 difference are as follows:

Capital outlay	$ 1,161,609
Depreciation expense	(2,371,524)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (1,209,915)

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the 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." The details of this $2,741,792 difference are as follows:

Principal repayments:	
Landfill postclosure costs	$ 141,831
Bonds and notes payable	2,599,961
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 2,741,792

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $118,215 difference are as follows:

Change in compensated absences	$	(41,409)
Change in net pension asset		14,024
Amortization of bond premium		113,100
Accrued interest		32,500
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	118,215

NOTE 3. BUDGET COMPLIANCE AND DEFICIT NET POSITION / FUND BALANCE

A. Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 15, the County Administrator submits a proposed budget to the Board of Commissioners governing expenditures of all County funds for the fiscal year commencing the following October 1.

2. In September, the Board of Commissioners holds a public hearing on the proposed budget to obtain citizen comments.

3. The budget is legally adopted by the Board of Commissioners at a called meeting during the third week of September. The legal level of budgetary control is the department level.

4. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Department Directors are authorized to transfer budgeted amounts between all object categories within their own department excluding the categories for personnel costs, training, utilities, capital, and telephone, which require approval by the Board of Commissioners. Revisions that alter the total expenditures of any department or fund must be approved by the Board of Commissioners.

NOTE 3. BUDGET COMPLIANCE AND DEFICIT NET POSITION / FUND BALANCE (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund and Special Revenue Funds. Budgets for Capital Projects Funds are adopted on a project basis, spanning more than one fiscal year.

The supplementary budgetary appropriations made were not material.

All appropriations, except for items encumbered at year end, lapse. Encumbrances for items not lapsing at year end are reappropriated in the ensuing year's budget. Budget information for expenditures and encumbrances represents the operating budget as approved by the Board of Commissioners.

B. Excess Expenditures over Appropriations

For the year ended September 30, 2013, expenditures exceeded budget in the General Fund, as follows:

Department	Excess
Sheriff	2,746
E911	350
Community promotion	207

These over expenditures were funded by additional unanticipated revenues and existing fund balance.

C. Deficit Net Position and Fund Balance

The following funds had a deficit net position or fund equity at September 30, 2013:

Fund	Deficit
2015 SPLOST	$ (217,597)
Solid Waste	(105,250)

The deficit within the 2015 SPLOST fund is expected to be reduced through future SPLOST revenues received. The deficit within the Solid Waste Fund is expected to be reduced through future increased charges.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County's policy is to invest only in obligations of the State of Georgia or of other states; the local government investment pool established by state law; obligations issued by the United States government; obligations fully insured or guaranteed by the United States government or a United States government agency; or certificates of deposit. Instruments rated below an AAA rating may not be purchased.

At September 30, 2013, the County had the following investments:

Investment	Term	Maturities	Fair Value
Certificate of deposit	12 months	December 19, 2013	$ 6,109
			$ 6,109

At September 30, 2013, the Development Authority had the following investments:

Investment	Term	Maturities	Fair Value
Certificate of deposit	6 months	January 22, 2014	$ 492,732
Certificate of deposit	6 months	October 30, 2013	211,335
			$ 704,067

At September 30, 2013, the Library had the following investments:

Investment	Term	Maturities	Fair Value
Certificate of deposit	12 months	March 13, 2014	$ 30,922
Certificate of deposit	6 months	December 29, 2013	102,047
			$ 132,969

Interest rate risk. In accordance with its investment policy, the County shall seek to ladder the maturities of its portfolio to correspond with known projected cash flow needs, taking into consideration large recurring expenditure items, such as payroll and bond disbursements. The County shall seek to maintain a weighted-average maturity of the total portfolio not to exceed one year.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2013, all of the deposits of the County, the Development Authority, and the Library were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia. As of June 30, 2013, all of the deposits of the Health Department were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

NOTE 5. RECEIVABLES

Receivables at September 30, 2013, for the County's individual major funds, and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Solid Waste Fund	Nonmajor Governmental Funds	Total
Receivables:				
Taxes	$ 8,313,442	$ -	$ 576	$ 8,314,018
Allowance for uncollected taxes	(400,625)	-	-	(400,625)
Net taxes receivable	7,912,817	-	576	7,913,393
Accounts	1,728,429	979,978	80,362	2,788,769
Allowance for uncollected accounts	(1,417,575)	(24,022)	-	(1,441,597)
Net accounts receivable	310,854	955,956	80,362	1,347,172
Net total receivable	$ 8,223,671	$ 955,956	$ 80,938	$ 9,260,565

The County's property taxes were levied on the assessed values of all real and personal property with utilities, including mobile homes and motor vehicles, located in the County. The assessed value at January 1, 2013, upon which the fiscal year 2013 levy was based, was the gross digest amount of $721,608,653 (40% of the estimated market value of $1,804,021,633).

The tax billing cycle is as follows:

Levy date	September 16, 2013
Payment due date	December 20, 2013
Delinquency date	December 21, 2013
Lien date	March 20, 2014

NOTE 5. RECEIVABLES (CONTINUED)

The distribution of the County's levy (tax rate per $1,000 assessed value) as of September 30, 2013 is as follows:

General Government	13.555 mills
School System	17.000 mills
State of Georgia	.15 mills

NOTE 6. CAPITAL ASSETS

A. Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 2,363,436	$ 132,000	$ (12,500)	$ -	$ 2,482,936
Construction in progress	11,908,651	698,775	-	(2,149,850)	10,457,576
Total	14,272,087	830,775	(12,500)	(2,149,850)	12,940,512
Capital assets, being depreciated:					
Buildings	9,198,404	20,426	(61,960)	761,948	9,918,818
Improvements other than buildings	2,438,363	6,374	-	751,239	3,195,976
Infrastructure	53,699,793	-	-	37,833	53,737,626
Equipment	10,236,727	304,034	(144,274)	598,830	10,995,317
Total	75,573,287	330,834	(206,234)	2,149,850	77,847,737
Less accumulated depreciation for:					
Buildings	3,477,676	273,029	(45,639)	-	3,705,066
Improvements other than buildings	801,726	213,330	-	-	1,015,056
Infrastructure	31,001,268	1,222,784	-	-	32,224,052
Equipment	6,810,576	662,381	(142,544)	-	7,330,413
Total	42,091,246	2,371,524	(188,183)	-	44,274,587
Total capital assets, being depreciated, net	33,482,041	(2,040,690)	(18,051)	2,149,850	33,573,150
Governmental activities capital assets, net	$ 47,754,128	$ (1,209,915)	$ (30,551)	$ -	$ 46,513,662

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 211,275
Judicial	1,732
Public safety	614,559
Public works	1,400,576
Health and welfare	4,151
Culture and recreation	136,317
Conservation and development	2,914
Total depreciation expense - governmental activities	$ 2,371,524

B. Component Unit – Health Department

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 47,589	$ -	$ -	$ 47,589
Less accumulated depreciation for:				
Machinery and equipment	47,589	-	-	47,589
Total capital assets, net	$ -	$ -	$ -	$ -

C. Component Unit – Library

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 167,000	$ -	$ -	$ 167,000
Capital assets, being depreciated:				
Buildings	2,000,000	-	-	2,000,000
Library books and materials	647,976	17,579	(25,319)	640,236
Total capital assets, being depreciated:	2,647,976	17,579	(25,319)	2,640,236
Less accumulated depreciation for:				
Buildings	508,331	33,333	-	541,664
Library books and materials	548,800	20,579	(25,319)	544,060
Total accumulated depreciation:	1,057,131	53,912	(25,319)	1,085,724
Total capital assets, being depreciated, net:	1,590,845	(36,333)	-	1,554,512
Total capital assets, net	$ 1,757,845	$ (36,333)	$ -	$ 1,721,512

NOTE 6. CAPITAL ASSETS (CONTINUED)

D. Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 384,330	$ -	$ (23,518)	$ 360,812
Total	384,330	-	(23,518)	360,812
Capital assets, being depreciated:				
Buildings	6,147,722	-	-	6,147,722
Equipment	7,408	-	-	7,408
Vehicles	22,040	-	-	22,040
Total	6,177,170	-	-	6,177,170
Less accumulated depreciation for:				
Buildings	1,704,600	153,693	-	1,858,293
Equipment	6,408	543	-	6,951
Vehicles	22,040	-	-	22,040
Total	1,733,048	154,236	-	1,887,284
Total capital assets, being depreciated, net	4,444,122	(154,236)	-	4,289,886
Total capital assets, net	$ 4,828,452	$ (154,236)	$ (23,518)	$ 4,650,698

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended September 30, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ 7,965,000	$ -	$ (2,599,961)	$ 5,365,039	$ 2,740,000
Plus unamortized premium	254,473	-	(113,100)	141,373	-
Bonds payable, net	8,219,473	-	(2,713,061)	5,506,412	2,740,000
Compensated absences	414,825	415,686	(374,277)	456,234	364,987
Landfill postclosure costs	2,275,372	-	(141,831)	2,133,541	141,831
Governmental activities:					
Long-term liabilities	$ 10,909,670	$ 415,686	$ (3,229,169)	$ 8,096,187	$ 3,246,818

For governmental activities, compensated absences and landfill postclosure costs are generally liquidated by the General Fund.

NOTE 7. LONG-TERM DEBT (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Development Authority:					
Bonds payable	$ 957,000	$ -	$ (426,000)	$ 531,000	$ 426,000
Library:					
Compensated absences	$ 14,933	$ 39,838	$ (34,296)	$ 20,475	$ 6,067
Health Department:					
Compensated absences	$ 30,799	$ 23,940	$ (9,746)	$ 44,993	$ 6,885

General Obligation Bonds. During the year ended September 30, 2009, the County issued general obligation bonds in the amount of $15,015,000. The bond proceeds are to be used to finance the acquisition of various capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the County.

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Various	3.25 - 5.00%	7 years	2015	$ 15,015,000	$ 5,365,039
	Plus unamortized premium				141,373
					$ 5,506,412

Debt service requirements to maturity on the general obligation bonds are as follows:

Year ending September 30,	Principal	Interest
2014	$ 2,740,000	$ 251,945
2015	2,625,039	122,500
Total	$ 5,365,039	$ 374,445

NOTE 7. LONG-TERM DEBT (CONTINUED)

Landfill Postclosure Costs – Houser's Mill. Peach County has closed its landfill located on Houser's Mill Road. State and Federal regulations require that the County place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. At this time, engineering studies estimate postclosure costs of approximately $1,701,969 over the next 12 years. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of September 30, 2013. However, actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Landfill Closure and Postclosure Costs – Middle Georgia Regional Municipal Solid Waste Landfill. Peach County entered into an agreement in August 1993 to share the costs associated with the Middle Georgia Regional Municipal Solid Waste Landfill (MGRMSWL). State and Federal regulations require that the County place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. At this time, engineering studies estimate closure and postclosure costs of approximately $431,572. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of September 30, 2013. However, actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Revenue Bonds Payable – Development Authority. During the year ended September 30, 2003, the Development Authority issued tax-exempt and taxable refunding revenue bonds in the aggregate amount of $3,977,000. The bond proceeds were used to refund the Development Authority's Series 2000 revenue bonds. The principal and interest on the bonds is payable from the net revenues of the Development Authority and certain payments made to the Development Authority by the County pursuant to a contract between the Development Authority and the County.

Revenue bonds outstanding at September 30, 2013 are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Tax-Exempt Refunding Revenue Bonds	4.55%	12 years	2015	$ 3,977,000	$ 531,000

NOTE 7. LONG-TERM DEBT (CONTINUED)

Debt service requirements to maturity on the revenue bonds are as follows:

Year ending September 30,	Principal	Interest
2014	$ 426,000	$ 15,089
2015	105,000	461
Total	$ 531,000	$ 15,550

Conduit Debt Obligations – Development Authority. The Development Authority has issued revenue bonds to provide financial assistance to a nonprofit corporation and an exempt organization for the acquisition and construction of student housing facilities. The bonds are secured by the property financed and are payable solely from the payments received on the underlying loan agreement. Upon repayment of the bonds, ownership of the acquired facilities transfers to the exempt organization served by the bond issuance. The Development Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The amount of conduit debt revenue bond obligations outstanding as of September 30, 2013 is $20,490,000.

During the year ended September 30, 2009, the Development Authority entered into a note payable with the OneGeorgia Authority to provide financial assistance to a local corporation for the acquisition of machinery and equipment. The note is secured by the property financed and is payable solely from payments received on the underlying agreement. Upon repayment of the note, ownership of the acquired machinery and equipment transfers to the local corporation served by the note issuance. The Development Authority is not obligated in any manner for repayment of the note. Accordingly, the note is not reported as a liability in the accompanying financial statements. The amount of conduit debt note payable obligation outstanding as of September 30, 2013 is $210,061.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2013 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 20,064
General Fund	Water, Sewer, & Wastewater Treatment System Fund	11,400
2004 SPLOST Fund	General Fund	37,000
Nonmajor governmental funds	General Fund	263
Solid Waste Fund	General Fund	11,682
		$ 80,409

These balances resulted 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.

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 217,597

This advance was created as the 2015 SPLOST Fund had not received any revenue as of September 30, 2013. When the special purpose local option sales tax proceeds are received, the County will repay the General Fund for the SPLOST approved project expenditures which occurred prior to the receipt of funding.

Interfund transfers:

Transfers In	Transfers Out	Amount
Nonmajor governmental funds	Solid Waste Fund	$ 6,238
General Fund	Solid Waste Fund	5,444
		$ 11,682

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. RETIREMENT PLANS

A. Defined Benefit Pension Plan - Primary Government

Plan Description

On October 1, 2006, the County began sponsoring the Association County Commissioners of Georgia Peach County Defined Benefit Plan (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of The ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of The ACCG Plan document.

Complete financial statements for the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from Government Employee Benefits Corporation of Georgia, 3625 Cumberland Boulevard, Suite 825, Atlanta, Georgia 30339.

Funding Policy

The County is required to contribute an actuarially determined amount annually to The Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by The ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the plan.

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the current year is as follows:

Derivation of Annual Pension Cost		
Annual Required Contribution	$	445,048
Interest on Net Pension Obligation		(5,406)
Amortization of Net Pension Obligation		5,785
Annual Pension Cost	$	445,427

NOTE 9. RETIREMENT PLANS (CONTINUED)

A. Defined Benefit Pension Plan - Primary Government (Continued)

Derivation of Net Pension Obligation

Annual Pension Cost for Fiscal Year 2013	$ 445,427
Actual Contributions to Plan for Fiscal Year 2013	459,450
Increase in Net Pension Asset	(14,024)
Net Pension Asset as of Beginning of Fiscal Year	(69,755)
Net Pension Asset as of End of Fiscal Year	$ (83,779)

Basis of Valuation

Current Valuation Date	January 1, 2013
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.00 to 6.50%
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	29

Trend Information for The Plan

Fiscal Year Funding	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/08	$ 286,403	$ 282,925	98.8 %	$ (12,525)
9/30/09	337,209	349,227	103.6	(24,543)
9/30/10	377,498	394,145	104.4	(41,190)
9/30/11	385,338	397,883	103.3	(53,735)
9/30/12	421,568	437,588	103.8	(69,755)
9/30/13	445,427	459,450	103.1	(83,779)

As of the most recent valuation date, January 1, 2013, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
1/1/2013	$ 6,984,287	$ 7,785,542	$ 801,255	89.7 %	$ 5,615,532	14.3 %

NOTE 9. RETIREMENT PLANS (CONTINUED)

A. Defined Benefit Pension Plan - Primary Government (Continued)

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial liability. 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 long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2013.

B. Teachers Retirement System of Georgia (TRS) – Component Unit – Library

Plan Description. The Library participates in the TRS is a cost-sharing multiple-employer defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits for qualifying employees in educational service. A Board of Trustees comprised of active and retired members and ex-officio state employees is ultimately responsible for the administration of TRS. The Teachers Retirement System of Georgia issues a separate stand alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

On October 25, 1996, the Board created the Supplemental Retirement Benefits Plan of the Georgia Teachers Retirement System (SRBP-TRS). SRBP-TRS was established as a qualified excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of TRS. The purpose of SRBP-TRS is to provide retirement benefits to employees covered by TRS whose benefits are otherwise limited by IRC Section 415. Beginning July 1, 1997, all members and retired former members in TRS are eligible to participate in the SRBP-TRS whenever their benefits under TRS exceed the IRC Section 415 imposed limitation on benefits.

TRS provides service retirement, disability retirement, and survivor's benefits. The benefit structure of TRS is defined and may be amended by state statute. A member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service.

Normal retirement (pension) benefits paid to members are equal to 2% of the average of the member's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth of 7% for each month the member is below age 60 or by 7% for each year or fraction thereof by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, will be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Death, disability and spousal benefits are also available.

NOTE 9. RETIREMENT PLANS (CONTINUED)

B. Teachers Retirement System of Georgia (TRS) – Component Unit – Library (Continued)

Funding Policy. TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest. Member contributions are limited by state law to not less than 5% or more than 6% of a member's earnable compensation. Member contributions as adopted by the Board of Trustees for the prior fiscal year ended September 30, 2012, were 6.00% of annual salary. The member contribution rate remained at 6.00% through the year ended September 30, 2013. Employer contributions required for fiscal year 2013 were 11.41% of annual salary as required by the June 30, 2013, actuarial valuation. The employer contribution rate increased to 12.28% effective July 1, 2013.

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
September 30, 2013	100%	$ 25,333
September 30, 2012	100%	24,723
September 30, 2011	100%	26,637

NOTE 10. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees, retirees, and their dependents.

The County purchases insurance from a private carrier for coverage of general liability, property, and casualty coverage. The private insurance covers claims arising from general liability, automobile liability, errors and omissions, law enforcement liability, and property risks. Additionally, as of October 1, 2001, the County purchases health insurance from a private carrier. No reduction in insurance coverage has occurred since the previous year, and no settlements in excess of coverage have been paid in the past three years. The County also participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

NOTE 10. RISK MANAGEMENT (CONTINUED)

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

The Fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. 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.

Settled claims in the past three years have not exceeded the coverages.

NOTE 11. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation:

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

Grant Contingencies:

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

NOTE 12. JOINT VENTURES

Middle Georgia Regional Commission

Peach County, in conjunction with ten (10) other middle Georgia counties, participates in the Middle Georgia Regional Commission. During its year ended September 30, 2013, the County paid $13,368 in such dues. Membership in an RC is required by Code of Georgia Section 50-8-34 that provides for the organizational structure of the RC. The RC Board membership includes the Chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission.

Information concerning the financial statements may be obtained from the Middle Georgia Regional Commission, 175-C Emery Highway, Macon, Georgia 31217.

The Middle Georgia Regional Solid Waste Management Authority

The Middle Georgia Regional Solid Waste Management Authority (the "Authority") was activated by the Board of Commissioners of Peach County, Macon County, and Dooly County on August 30, 1993, under the provisions of the Regional Solid Waste Management Authority Act (Ga. Laws 1990, page 412). The Middle Georgia Regional Solid Waste Management Authority operates under a Board of Directors, which consists of seven (7) directors, with two (2) directors representing each county and one (1) director appointed by the directors themselves.

The Authority is designed to research, study, and plan for the solid waste management needs of the participating counties. The Authority is responsible for gathering data and researching all phases of the solid waste management needs of the participating counties. The Authority does not have the power to borrow money, issue bonds, or enter into any financial obligations without the authorization of the participating counties who will be involved in the repayment of such obligations.

The total costs of the annual administrative budget is to be allocated among the participants such that each participant is allocated a fraction of such costs, the numerator of which is the total population of such participant, and the denominator of which is the total population of all participants. The County is required to report 47.93% of the Middle Georgia Solid Waste Management Authority Landfill within its annual financial statements.

Information concerning the financial statements may be obtained from the Middle Georgia Regional Solid Waste Management Authority, Oglethorpe, Georgia.

NOTE 13. HOTEL/MOTEL LODGING TAX

The Official Code of Georgia Annotated 48-13-51 requires that all lodging taxes levied of 3% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. The County has complied with the expenditure requirements of OCGA 48-13-51 regarding the hotel/motel tax. During the year, the County collected $6,600 in hotel taxes. Management represents that $6,600, or 100%, of the lodging tax received during the year ended September 30, 2013 was used for the promotion of tourism.

NOTE 14. OTHER POST EMPLOYMENT BENEFITS

Georgia School Personnel Post-employment Health Benefit Fund – Component Unit – Library

Plan Description. The Library participates in the Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund) a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers eligible former employees of public school systems, libraries and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Benefit Plan administered by the Department of Community Health. The Official Code of Georgia Annotated (O.C.G.A.) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board the Department of Community Health (Board). The Department of Community Health, which includes the School OPEB Fund, issues a separate stand alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

Funding Policy. The contribution requirements of plan members and participating employers are established by the Board in accordance with the current Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. For members with fewer than five years of service as of January 1, 2012, contributions also vary based on years of service. On average, members with five years or more of service as of January 1, 2012, pay approximately 25 percent of the cost of the health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2012, the state provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option. The Board sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board may be changed at any time by Board resolution and does not constitute a contract or promise of any amount of subsidy.

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Georgia School Personnel Post-employment Health Benefit Fund – Component Unit – Library (Continued)

Funding Policy (Continued): Participating employers, including public library systems, are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rates are established to fund all benefits due under the health insurance plans for both active and retired employees based on projected "pay-as-you-go" financing requirements. Contributions are not based on the actuarially calculated annual required contribution (ARC) which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund were as follows for the fiscal year ended September 30, 2013:

Period	Covered Payroll
October 2012 - June 2013	$743 per member, per month
June 2013 - September 2013	$843 per member, per month

No additional contribution was required by the Board for fiscal year 2013 nor did the Library contribute to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the School plan for other post-employment benefits and are subject to appropriation.

The Library's combined active and retiree contributions to the health insurance plans, which equaled the required contribution, for the current fiscal year and the preceding two fiscal years were as follows:

Fiscal Year	Percentage Contributed	Required Contribution
September 30, 2013	100%	$ 36,863
September 30, 2012	100%	46,736
September 30, 2011	100%	48,016

NOTE 15. RESTATEMENTS

The County has determined that a restatement to beginning net position of the Governmental Activities was required to (1) recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statements No. 61 and No. 65 through which bond issuance costs are written off as of October 1, 2012 and (2) recognize the addition of the County's portion of the Middle Georgia Regional Solid Waste Landfill for which they are obligated for 47.93% of the closure and post closure costs as discussed in Note 7 and Note 12. These adjustments resulted in changes to beginning net position of Governmental Activities as follows:

	Governmental Activities
Net position, beginning of year - Primary Government, as previously reported	$ 53,445,334
Recognition of bond issuance costs in accordance with GASB 65	(88,941)
Recognition of Middle Georgia Landfill closure and post-closure liability	(431,572)
Net position, beginning of year, as restated	$ 52,924,821

REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF FUNDING PROGRESS

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
1/1/2013	$ 6,984,287	$ 7,785,542	$ 801,255	89.7 %	$ 5,615,532	14.3 %
1/1/2012	6,341,413	6,940,581	599,168	91.4	5,212,640	11.5
1/1/2011	5,800,343	6,469,450	669,107	89.7	5,351,689	12.5
1/1/2010	5,200,449	5,639,289	438,840	92.2	5,137,859	8.5
1/1/2009	4,555,043	5,089,782	534,739	89.5	4,778,101	11.2
1/1/2008	4,383,162	4,630,964	247,802	94.6	4,568,590	5.4

The assumptions used in the preparation of the above schedule are disclosed in Note 9 in the Notes to the Financial Statements.

PEACH COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Law Library

To account for costs of operating and maintaining the County Law Library. Financing is provided from a $2 charge added to and collected on all costs in civil and criminal cases. A separate Board of Trustees has control of the Law Library funds and has authority to expend the funds in accordance with provisions of the act establishing the County Law Library. All books, reports, texts, and periodicals purchased from these funds become the property of the County.

Transit System

To account for the operations of the Peach County Transit System. Financing is provided under an agreement with the Georgia Department of Transportation to receive funding under Section 18 of the Urban Mass Transportation Act of 1964, from operating transfers from the General Fund of Peach County, and from user fares.

Drug Fund

To account for monies deemed as forfeited property by courts to Peach County from cases related to illegal drug activity. These forfeited funds are used to expand the County's efforts to reduce illegal drug activity in the County.

Federal Drug Fund

To account for monies deemed as forfeited property by Federal Courts to Peach County from cases related to illegal drug activity.

Jail Inmate Canteen

To account for the operations of the jail inmate store. Purchases of supplies for sale to inmates, as well as proceeds received from the sale of these supplies, are reflected in the Jail Inmate Fund.

Hotel/Motel Tax

To account for revenues received from the levy of a hotel/motel tax in accordance with the provisions of OCGA 48-13-51 to be used for the promotion of tourism, conventions, and trade shows in Peach County.

E911 Fund

To account for the costs of operating and maintaining the 911 Emergency Communication System for Peach County. Financing is provided by a charge to each telephone subscriber whose exchange access lines are in areas served by the Peach County "911" service, by contributions from the City of Fort Valley and the City of Byron.

Capital Projects Fund

Sales Tax — To account for the landfill and county building improvement expenditures as called for by the County referendum. Financing is being provided by a special purpose sales and use tax and proceeds from a GEFA note payable.

2015 SPLOST — To account for the revenues and expenditures associated with the 2015 one percent special purpose local option sales tax.

PEACH COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Special Revenue Funds				
ASSETS	**Law Library**	**Transit System**	**Drug Fund**	**Federal Drug Fund**	**Jail Inmate Canteen**
Cash and cash equivalents	$ 29,483	$ 5,854	$ 14,327	$ 9,895	$ 36,954
Investments	-	-	-	6,109	-
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	-	350
Due from other governments	-	18,635	-	-	-
Due from other funds	-	263	-	-	-
Total assets	$ 29,483	$ 24,752	$ 14,327	$ 16,004	$ 37,304
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,029	$ 24,448	$ -	$ -	$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Total liabilities	1,029	24,448	-	-	-
FUND BALANCES					
Restricted for:					
Capital projects	-	-	-	-	-
Judicial	28,454	-	-	-	-
Public safety	-	-	14,327	16,004	-
Health and welfare	-	304	-	-	-
Conservation and development	-	-	-	-	-
Committed for:					
Public safety	-	-	-	-	37,304
Unassigned	-	-	-	-	-
Total fund balances	28,454	304	14,327	16,004	37,304
Total liabilities and fund balances	$ 29,483	$ 24,752	$ 14,327	$ 16,004	$ 37,304

		Capital Projects Funds		
Hotel/ Motel Tax	E911 Fund	Sales Tax	2015 SPLOST Fund	Total Nonmajor Governmental Funds
$ 65	$ 13,276	$ 2,736	$ -	$ 112,590
-	-	-	-	6,109
576	-	-	-	576
-	80,012	-	-	80,362
-	51,732	-	-	70,367
-	-	-	-	263
$ 641	$ 145,020	$ 2,736	$ -	$ 270,267
$ 235	$ -	$ -	$ -	$ 25,712
-	550	-	-	550
208	18,122	1,734	-	20,064
-	-	-	217,597	217,597
443	18,672	1,734	217,597	263,923
-	-	1,002	-	1,002
-	-	-	-	28,454
-	126,348	-	-	156,679
-	-	-	-	304
198	-	-	-	198
-	-	-	-	37,304
-	-	-	(217,597)	(217,597)
198	126,348	1,002	(217,597)	6,344
$ 641	$ 145,020	$ 2,736	$ -	$ 270,267

PEACH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue Funds				
	Law Library	Transit System	Drug Fund	Federal Drug Fund	Jail Inmate Canteen
Revenues:					
Other taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	110,374	-	-	-
Charges for services	-	-	-	-	4,938
Fines and forfeitures	15,089	-	10,284	-	-
Interest income	17	-	11	52	-
Total revenues	15,106	110,374	10,295	52	4,938
Expenditures:					
Current:					
Judicial	16,552	-	-	-	-
Public safety	-	-	15,914	947	5,189
Health and welfare	-	110,549	-	-	-
Conservation and development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	16,552	110,549	15,914	947	5,189
Excess (deficiency) of revenues over (under) expenditures	(1,446)	(175)	(5,619)	(895)	(251)
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balances	(1,446)	(175)	(5,619)	(895)	(251)
Fund balances, beginning of year	29,900	479	19,946	16,899	37,555
Fund balances, end of year	$ 28,454	$ 304	$ 14,327	$ 16,004	$ 37,304

		Capital Projects Funds		
Hotel/ Motel Tax	E911 Fund	Sales Tax	2015 SPLOST Fund	Total Nonmajor Governmental Funds
$ 6,600	$ -	$ -	$ -	$ 6,600
-	-	-	-	110,374
-	429,575	-	-	434,513
-	-	-	-	25,373
-	-	-	-	80
6,600	429,575	-	-	576,940
-	-	-	-	16,552
-	349,568	-	-	371,618
-	-	-	-	110,549
12,640	-	-	-	12,640
-	-	-	217,597	217,597
12,640	349,568	-	217,597	728,956
(6,040)	80,007	-	(217,597)	(152,016)
6,238	-	-	-	6,238
6,238	-	-	-	6,238
198	80,007	-	(217,597)	(145,778)
-	46,341	1,002	-	152,122
$ 198	$ 126,348	$ 1,002	$ (217,597)	$ 6,344

PEACH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 1994 ISSUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Sanitary Landfill	$ 3,000,000	$ 3,000,000	$ 4,300,479	$ -	$ 4,300,479
County Buildings	1,750,000	1,750,000	1,750,000	-	1,750,000
Totals	$ 4,750,000	$ 4,750,000	$ 6,050,479	$ -	$ 6,050,479

PEACH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2000 ISSUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Public Safety Facilities	$ 975,000	$ 975,000	$ 975,000	$ -	$ 975,000
Roads, Streets, and Bridges	735,000	735,000	707,349	-	707,349
Solid Waste Handling Facility	40,000	40,000	35,119	-	35,119
Water, Sewer, and Waste Water Treatment	12,000,000	12,000,000	11,407,097	922,286	12,329,383
Totals	$ 13,750,000	$ 13,750,000	$ 13,124,565	$ 922,286	$ 14,046,851

PEACH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2004 ISSUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Road, Street, and Bridge Purposes	$ 4,120,000	$ 4,120,000	$ 3,731,954	$ 460,518	$ 4,192,472
Administrative and Detention Facilities	2,185,000	2,185,000	1,149,308	48,903	1,198,211
City of Fort Valley	1,250,000	1,250,000	1,305,865	-	1,305,865
City of Byron	1,250,000	1,250,000	1,305,865	-	1,305,865
Industrial Building	2,000,000	2,000,000	2,000,000	-	2,000,000
Recreation and Cultural Facilities	1,300,000	1,300,000	1,365,439	-	1,365,439
Public Safety Facilities and Equipment	1,195,000	1,195,000	2,101,016	173,792	2,274,808
Hospital Facility	2,000,000	2,000,000	200,000	1,800,000	2,000,000
Totals	$ 15,300,000	$ 15,300,000	$ 13,159,447	$ 2,483,213	$ 15,642,660

PEACH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Georgia Environmental Facilities Authority Loan - 2007	$ 1,125,000	$ 1,125,000	$ 1,133,361	$ -	$ 1,133,361
Previously Incurred Debt for Byron Redevelopment Authority	200,000	200,000	223,228	-	223,228
Road, Street, and Bridge Purposes	3,000,000	3,000,000	802,267	4,922	807,189
County Buildings	550,000	550,000	128,604	-	128,604
Improvements and Expansion of Peach Recreation Parks	700,000	700,000	500,841	-	500,841
Public Safety Facilities and Equipment	10,477,000	10,477,000	10,952,647	-	10,952,647
Interest and Costs of Issuance of Debt	1,398,000	1,398,000	2,432,566	383,950	2,816,516
City of Byron	3,475,000	3,475,000	2,582,417	-	2,582,417
City of Fort Valley	3,075,000	3,075,000	74,841	356,117	430,958
Totals	$ 24,000,000	$ 24,000,000	$ 18,830,772	$ 744,989	$ 19,575,761
Repayment of principal on debt. Proceeds included in projects above.				2,599,961	
Total 2008 SPLOST Fund expenditures				$ 3,344,950	

PEACH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2015 ISSUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Road, Street, and Bridge Purposes	$ 3,800,000	$ 3,800,000	$ -	$ -	$ -
Construction, renovation and/or upgrade of courthouse and administrative facilities	1,000,000	1,000,000	-	-	-
Solid waste/recycling equipment	140,000	140,000	-	-	-
Construction of workforce development center	3,000,000	3,000,000	-	217,597	217,597
Library computers	50,000	50,000	-	-	-
Administrative vehicles	25,000	25,000	-	-	-
Sewer project - southwest Peach County	2,000,000	2,000,000	-	-	-
Recreation park improvements	400,000	400,000	-	-	-
Public safety facilities and equipment	3,348,000	3,348,000	-	-	-
Elections equipment	125,000	125,000	-	-	-
Totals	$ 13,888,000	$ 13,888,000	$ -	$ 217,597	$ 217,597

PEACH COUNTY, GEORGIA

AGENCY FUNDS

	Agency Funds
Jail Inmate	To account for all monies held on behalf of the inmates of the Peach County Jail.
Tax Commissioner	To account for the collection and payment to Peach County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Peach County and other taxing units.
Clerk of Superior Court	To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.
Magistrate Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.
Probate Court	To account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, etc. which are disbursed to other parties.
Sheriff's Office	To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

PEACH COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2013

ASSETS	Jail Inmate	Tax Commissioner	Clerk of Superior Court	Magistrate Court
Cash	$ 3,964	$ 928,536	$ 321,085	$ 30,199
Taxes receivable	-	19,439,968	-	-
Total assets	$ 3,964	$ 20,368,504	$ 321,085	$ 30,199
LIABILITIES				
Due to others	$ 3,964	$ 20,368,504	$ 321,085	$ 30,199
Total liabilities	$ 3,964	$ 20,368,504	$ 321,085	$ 30,199

Probate Court	Sheriff's Office	Totals
$ 112,572	$ 137,506	$ 1,533,862
-	-	19,439,968
$ 112,572	$ 137,506	$ 20,973,830
$ 112,572	$ 137,506	$ 20,973,830
$ 112,572	$ 137,506	$ 20,973,830

COMPONENT UNIT –
PEACH PUBLIC LIBRARIES

PEACH COUNTY, GEORGIA

COMBINING BALANCE SHEET
COMPONENT UNIT - PEACH PUBLIC LIBRARIES
SEPTEMBER 30, 2013

ASSETS	General Fund	Lula Thomas Library Fund	Total Library Funds
Cash and cash equivalents	$ 147,310	$ 4,993	$ 152,303
Investments	102,047	30,922	132,969
Receivables:			
Accounts	2,267	-	2,267
Total assets	$ 251,624	$ 35,915	$ 287,539
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 497	$ -	$ 497
Total liabilities	497	-	497
FUND BALANCES			
Nonspendable:			
Lula Thomas CD	-	30,922	30,922
Committed for:			
Compensated absences	20,475	-	20,475
Assigned for:			
Next year's budget	55,273	-	55,273
General library operations	-	4,993	4,993
Unassigned	175,379	-	175,379
Total fund balances	251,127	35,915	287,042
Total liabilities and fund balances	$ 251,624	$ 35,915	$ 287,539

PEACH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNIT - PEACH PUBLIC LIBRARIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	General Fund	Lula Thomas Library Fund	Total Library Funds
Revenues:			
Intergovernmental	$ 379,370	$ -	$ 379,370
Charges for services	16,817	-	16,817
Interest income	510	149	659
Other income	12,291	-	12,291
Total revenues	408,988	149	409,137
Expenditures:			
Current:			
Public services	124,142	-	124,142
Technical services	85,456	-	85,456
Support services	158,128	-	158,128
Maintenance and operations	37,356	45	37,401
Information technology	14,654	-	14,654
Total expenditures	419,736	45	419,781
Excess (deficiency) of revenues over (under) expenditures	(10,748)	104	(10,644)
Other financing sources (uses):			
Transfers in	148	-	148
Transfers out	-	(148)	(148)
Total other financing sources (uses)	148	(148)	-
Net change in fund balances	(10,600)	(44)	(10,644)
Fund balances, beginning of year	261,727	35,959	297,686
Fund balances, end of year	$ 251,127	$ 35,915	$ 287,042

COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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*

Board of Commissioners
of Peach County, Georgia
Fort Valley, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Peach County, Georgia (the "County") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Peach County, Georgia's basic financial statements, and have issued our report thereon dated March 14, 2014. Our report includes a reference to other auditors who audited the financial statements of the Peach County Health Department, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report also includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No.65, *Items Previously Reported as Assets and Liabilities*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and responses as item 2013-1 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Peach County's Response to Findings

Peach County, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Peach County, Georgia's response was not subjected to the auditing procedures applied in the 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.

Mauldin & Jenkins, LLC

Macon, Georgia
March 14, 2014

PEACH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes ____ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no

Federal Awards

There was not an audit of major federal award programs for the year ended September 30, 2013 due to the total amount expended being less than $500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2013-1. Segregation of Duties

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties does not exist among recording, distribution, reconciliation of cash accounts and other operational functions in the various funds maintained by the County. This is especially prominent in the office of the Clerk of Superior Court and the Peach County Public Library.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The failure to adequately segregate duties is due to the limited number of individuals available in the office of the Clerk of Superior Court and the Peach County Public Library to perform all of the duties.

Recommendation: The duties of recording, distribution, approving, writing and signing of checks, and reconciliation of accounts should be segregated among employees.

PEACH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-1. Segregation of Duties (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The office of the Clerk of Superior Court and the Peach County Public Library have been in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business. All of the offices have made great efforts to improve in this area.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not Applicable.

PEACH COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

2012-1. Segregation of Duties

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties does not exist among recording, distribution, reconciliation of cash accounts and other operational functions in the various funds maintained by the County. This is especially prominent in the office of the Clerk of Superior Court and the Peach County Public Library.

Status: Unresolved. See current finding 2013-1.

2012-2. Overage of Sheriff's Office Funds

Criteria: All constitutional officers must have a proper function of receiving funds and timely and properly remitting such funds to the appropriate parties upon their disposition in accordance with State of Georgia laws.

Condition: For the fiscal year ending September 30, 2012, we noted that the Sheriff's Office has approximately $41,700 in its bank accounts for which no determination can be made as to who or whom the funds are owed.

Status: Resolved.