POLK COUNTY, GEORGIA

FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION

For The Year Ended June 30, 2014

Polk County, Georgia
Annual Financial Report
June 30, 2014

TABLE OF CONTENTS

Financial Section

Independent Auditors' Report 1-3

Management's Discussion and Analysis (Unaudited) 4-14

Basic Financial Statements

Government-wide Financial Statements:
Statement of Net Position 16
Statement of Activities 17

Fund Financial Statements:

Governmental Funds:
Balance Sheet 18
Reconciliation of Total Governmental Fund Balances to Net Position Of Governmental Activities 19
Statement of Revenues, Expenditures and Changes in Fund Balances 20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 21

Proprietary Funds:
Statement of Net Position 22
Statement of Revenues, Expenses, and Changes in Fund Net Position 23
Statement of Cash Flows 24-25

Fiduciary Funds:
Statement of Fiduciary Assets and Liabilities 26

Component Units:
Combining Statement of Net Position 27
Combining Statement of Activities 28

Notes to the Basic Financial Statements 29-64

Required Supplementary Information (Unaudited)

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP) and Actual - *General Fund* 65
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP) and Actual – Emergency Telephone Fund 66
Employee Pension Trust Fund and OPEB- Schedule of Funding Progress 67
Employee Pension Trust Fund - Schedule of Employer Contributions 68

Polk County, Georgia
Annual Financial Report
June 30, 2014

Supplementary Information

Combining and Individual Fund Statements and Schedules:

Governmental Funds

General Fund:

Comparative Balance Sheet 69
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 70
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP) and Actual 71-73

Nonmajor Governmental Funds:

Combining Balance Sheet – By Fund Type 74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - By Fund Type 75

Nonmajor Special Revenue Funds:

Combining Balance Sheet 76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 77
Law Library Fund
Comparative Balance Sheet 78
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget & Actual 79
Crime Victim Assistance Fund
Comparative Balance Sheet 80
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 81
Drug Abuse Treatment and Education Fund
Comparative Balance Sheet 82
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 83
Law Enforcement Confiscated Monies – County Police Fund
Comparative Balance Sheet 84
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 85
Law Enforcement Confiscated Monies – Sheriff Fund
Comparative Balance Sheet 86
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget & Actual 87
County Jail Fund
Comparative Balance Sheet 88
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 89
District Attorney Fund
Comparative Balance Sheet 90
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 91

Juvenile Probation Fund
Comparative Balance Sheet 92
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 93
Clerk of Superior Court Special Fee Fund
Comparative Balance Sheet 94
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget & Actual....95
Sheriff – Other Programs
Comparative Balance Sheet 96
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget & Actual....97

Major Capital Project Funds
2008 SPLOST Fund
Comparative Balance Sheet 98
Schedule of Revenues, Expenditures and Changes in Fund Balances – Project Budget and Actual....99

Nonmajor Capital Project Funds
Combining Balance Sheet 100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 101
2003 SPLOST Fund
Comparative Balance Sheet 102
Schedule of Revenues, Expenditures and Changes in Fund Balances – Project Budget and Actual....103

Proprietary Fund

Enterprise Funds
Major Enterprise Fund
Solid Waste Fund
Comparative Statement of Net Position 105
Comparative Statement of Revenues, Expenses and Changes in Net Position 106
Comparative Statement of Cash Flows 107-108

Fiduciary Funds

Agency Funds
Comparative Statement of Fiduciary Assets and Liabilities....109
Combining Statement of Fiduciary Assets and Liabilities....110
Combining Statement of Changes in Fiduciary Assets and Liabilities.... 111-113

FINANCIAL SECTION

LAWRENCE SEE & BEAVERS

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Polk County, Georgia
Cedartown, 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 Polk County, Georgia as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Polk County Board of Health, which represents 8%, 18%, 82% respectively of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements as of June 30, 2014, 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 Polk County Board of Health discretely presented unit, is based on the report of the other auditors We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 opinion.

Board of Commissioners

Polk County, Georgia

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Polk County, Georgia as of June 30, 2014, and the respective changes in financial position and where applicable cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual General Fund, and Emergency Telephone Fund, and the Schedules of Funding Progress and Employer Contributions 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 the County's basic financial statements as a whole. The General Fund comparative statements and schedule and the major capital project fund comparative balance sheet and schedule of revenues, expenditures and changes in fund balance – project budget and actual and 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. The statements and schedules referenced herein 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. The 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Board of Commissioners

Polk County, Georgia

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated February 12, 2015 on our consideration of Polk County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Polk County, Georgia's internal control over financial reporting and compliance.

Lawrence, Sea & Beavers

Conyers, Georgia
February 12, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the Basic financial statements prepared by the Finance Director.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Polk County's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County's assets exceeded its liabilities and deferred inflows of resources by $46,178,821 (total net position) as of June 30, 2014

- Total net position are comprised of the following:

  (1) Net investment in capital assets, of $32,590,370 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net position of $5,135,122 restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $8,453,329 represent the portion available to maintain the County's continuing obligations to citizens and creditors.

- The County's governmental funds reported total ending fund balance of $ 12,483,529 (which includes some deficits) at June 30, 2014. This compares to the prior year ending fund balance of $11,844,190 showing an increase of $639,339 during the current year. Unassigned fund balance of $6,258,532 at June 30, 2014 shows a $ 423,052 increase from the prior year amount at June 30, 2013.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $6,814,875 or 38.6% of total General Fund expenditures

- Overall, the County continues to maintain an adequate financial position, in spite of a somewhat slow growth economy.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

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

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

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, planning and community development, health and welfare, culture and recreation and sanitation. Business-type activities include the landfill operations.

The government-wide financial statements are presented on pages 16 and 17 of this report.

Fund Financial Statements

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

The County has three kinds of funds:

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

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

The basic governmental fund financial statements are presented on pages 18-21 of this report.

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

Proprietary funds are reported in the fund financial statements and generally report services for which the County charges customers a fee. The sole County proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the County organization for solid waste services.

The basic enterprise fund financial statements are presented on pages 22-25 of this report.

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

The basic fiduciary fund financial statement is presented on page 26 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 29 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget presentations and selected pension information. Budgetary comparison statements are included as "required supplementary information" for the general fund, and the emergency telephone special revenue fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. This section also provides information regarding the funding progress that the County is making towards their employees' pension plan as well as information regarding the County's contributions. The required supplementary information is presented beginning on page 65.

Other Supplementary Information

These statements and schedules demonstrate compliance with the County's adopted and final revised budget. As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report beginning on page 69.

Financial Analysis of the County as a Whole

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the County as a whole.

The County's net combined (government and business-type activities) assets at fiscal year-end are $46,205,100. By far the largest portion of the County's net position reflects its investment in capital assets (e.g., infrastructure, land, buildings machinery, equipment and vehicles); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although Polk County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table provides a summary of the County's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Assets:						
Current assets	$ 16,094,726	$ 16,022,350	$ 6,910,823	$ 5,442,675	23,005,549	$ 21,465,025
Restricted assets	-	-	2,207,004	2,044,829	2,207,004	2,044,829
Capital assets	32,407,550	32,219,850	183,411	195,715	32,590,961	32,415,565
Total assets	**48,502,276**	**48,242,200**	**9,301,238**	**8,103,219**	**57,803,514**	**56,345,419**
Liabilities:						
Current liabilities	2,308,990	3,071,023	12,626	5,000	2,321,616	3,076,023
Long-term liabilities	5,705,475	4,657,799	3,040,765	2,916,324	8,746,240	7,574,123
Total liabilities	**8,014,465**	**7,728,822**	**3,053,391**	**3,341,324**	**11,067,856**	**11,070,146**
Deferred inflows of resources	**556,837**	**479,180**	**-**	**-**	**556,837**	**479,180**
Net position:						
Invested in capital assets	32,406,959	32,217,084	183,411	195,715	32,590,370	32,412,799
Restricted	5,135,122	4,906,707	-	-	5,135,122	4,906,707
Unrestricted	2,388,893	2,910,407	6,064,436	4,566,180	8,453,329	7,476,587
Total net position	**$ 39,930,974**	**$ 40,034,198**	**$ 6,247,847**	**$ 4,761,895**	**46,178,821**	**$ 44,796,093**

Current assets in governmental activities decreased slightly while business-type activities increased in fiscal year June 30, 2014. Cash (excluding restricted cash in the landfill fund) increased $1,410,745 which is due to the improved cash position in the General Fund and Landfill Fund.

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 6.97 to 1 and 547 to 1 for business type activities (excluding restricted assets). For the County overall, the current ratio is 9.90 to 1. These ratios are more than adequate.

The County reported positive balances in net position for both governmental and business-type activities. Net position decreased $103,224 for governmental activities and increased by $1,485,952 for business-type activities. Of this decrease in governmental net position, the major contributor was an increase in expenses, a decrease in capital grants and a decrease in transfers in.

Note that approximately 80% of the governmental activities' net positions are tied up in capital assets. The County uses these capital assets to provide services to its citizens. Combining governmental activities with business type activities, the County has invested approximately 70 % of its total assets in capital assets, as presented in the government-wide statement of net position.

The following table provides a summary of the County's changes in net position for the past two fiscal years:

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
Revenues:	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Program:						
Charges for services	$ 2,854,018	$ 2,628,920	$ 1,547,796	$ 1,625,162	$ 4,401,814	$ 4,254,082
Operating grants	291,429	255,320	-	-	291,429	255,320
Capital grants	1,206,363	78,213	-	-	1,206,363	78,213
General:						
Property taxes	11,068,532	10,897,731	-	-	11,068,532	10,897,731
Sales taxes	7,141,170	7,366,803	-	-	7,141,170	7,366,803
Other taxes	1,718,547	1,635,122	-	-	1,718,547	1,635,122
Other	699,043	600,043	2,372	4,191	701,415	604,234
Total revenues	**24,979,102**	**23,462,152**	**1,550,168**	**1,629,353**	**26,529,270**	**25,091,505**
Program Expenses:						
General government	4,035,145	4,090,798	-	-	4,035,145	4,090,798
Judicial	2,660,691	2,674,082	-	-	2,660,691	2,674,082
Public safety	10,140,329	10,191,808	-	-	10,140,329	10,191,808
Public works	4,343,478	5,108,230	-	-	4,343,478	5,108,230
Planning/community development	2,660,391	1,158,366	-	-	2,660,391	1,158,366
Health and welfare	333,863	332,532	-	-	333,863	332,532
Culture and recreation	399,160	365,363	-	-	399,160	365,363
Sanitation	504,299	532,553	-	-	504,299	532,553
Interest	4,970	3,500	-	-	4,970	3,500
Solid waste	-	-	64,216	15,351	64,216	15,351
Total expenses	**25,082,326**	**24,457,232**	**64,216**	**15,351**	**25,146,542**	**24,472,583**
Increase (decrease) in net position before transfers	(103,224)	(995,080)	1,485,952	1,614,002	1,382,728	618,922
Transfers	-	420,000	-	(420,000)	-	-
Increase (decrease) in net position	**(103,224)**	**(575,080)**	**1,485,952**	**1,194,002**	**1,382,728**	**618,922**
Beginning net position	**40,034,198**	**40,609,278**	**4,761,895**	**3,567,893**	**44,796,093**	**44,177,171**
Ending net position	**$ 39,930,974**	**$ 40,034,198**	**$ 6,247,847**	**$ 4,761,895**	**$ 46,178,821**	**$ 44,796,093**

GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations. Property taxes provided 44.3% of the County's total governmental revenues and sales taxes provided 28.6% of the County's total governmental revenues as compared to 46.4% and 31.4% respectively for the prior year. Because of the County's healthy financial position, we have been able to earn $5,224 in interest earnings to support governmental activities, even in this period of very low yield rates. Also, note that program revenues cover only 17.4% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues fund 82.6% of the governmental activities. As a result, the general economy and the county businesses have a major impact on the County's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety function makes up approximately $10.1 million or 40.4% of total governmental activities expenses. Public works totals approximately $4.3 million or 17.3 % of total governmental expenses.

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

Governmental Activities

	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	$ 4,035,145	16.1%	$ 3,559,586	17.2%
Judicial	2,660,691	10.6%	1,224,638	5.9%
Public safety	10,140,329	40.4%	9,178,262	44.3%
Public works	4,343,478	17.3%	3,137,115	15.1%
Planning/community developmen	2,660,391	10.6%	2,388,623	11.5%
Health and welfare	333,863	1.3%	333,863	1.6%
Culture and recreation	399,160	1.6%	399,160	1.9%
Sanitation	504,299	2.0%	504,299	2.4%
Interest and fiscal costs	4,970	0.0%	4,970	0.0%
Total	**$ 25,082,326**	**100.0%**	**$ 20,730,516**	**100.0%**

After reducing gross expenses by program revenues, public safety still exceeds 44.3% of costs. As indicated in the table, total cost and net costs do not differ substantially by percentage for each function.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The major enterprise fund is the County's solid waste management program. The operating revenues for the solid waste management fund were 4.8% less than 2013 and operating expenses approximately 300% more than 2013. On February 26, 2002, the County entered into an agreement with a private contractor to operate our landfill facility. As a result, we do not receive landfill-tipping fees and operating expenses as nominal.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $12,483,529 compared to $11,844,190 in 2013. The General Fund increased its fund balance by $370,373 during the fiscal year. Of this year-end total, $6,814,875 is unassigned indicating availability for continuing County service requirements. However, $1,084,853 of this fund balance is classified as nonspendable i.e. set aside for prepaid items, inventory and advances to other funds. The following amounts in the other County funds are restricted for 1) capital projects ($4,522,660) and other program purposes ($612,462). The balance of $5,022 is assigned for Sheriff special projects.

The total ending fund balances of governmental funds show an increase of $639,339 or 5.40% of the prior year's total. This increase relates primarily to a increase in unspent 2008 SPLOST funds, and General Fund excess of revenues over expenditures.

Major Governmental Funds

The **General Fund** is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by $370,373 or 4.90%. The ending unassigned fund balance is considered adequate, representing 38.63% of annual expenditures. This compared to 36.15% of annual expenditures at June 30, 2013. This is a positive indicator for the County which exceeds the benchmark of 10-25% that is generally recognizes as being adequate

As indicated earlier, the two major tax revenues are property taxes and sales taxes. General property taxes increased by $22,309 or .23 %. This is partially due to a .39% decrease in the tax digest with the County M&O millage rate remaining the same as 2013. Also, general property taxes receivable was less by $4,953 over 2013 due principally to increased collection efforts by the tax commissioner. Because of the 60 day revenue recognition rule implemented by the County under the modified accrual basis of accounting deferred taxes increased $38,574. Taxes for motor vehicles and mobile homes increased $214,780 or 17.07%.

Local Option Sales Tax (LOST) decreased by $109,845 or 4.23%. The real estate transfer taxes increased $12,716 or 81.0% due to more home sales because of the improving housing market... Intangible taxes decreased $9,278 or 8.78 %.

In 2014, licenses and permits were $1,898 or 2.31% below the prior year. The small decrease indicates that the trend is still up for occupational and building permits. Building permit revenues held steady for the year when compared to 2013 which reported a substantial increase as a result of homeowners making improvements to their existing homes as opposed to buying a new home.

State, local and federal government revenues were $725 less than 2013, which was in effect no change from 2013. .Charges for services increased $117,466 or 14.27% primarily due to the revenue from airport fuels sales.

Most other revenue streams were consistent with that of fiscal 2013. In total, the County recognized $442,181 or 2.49% over the 2013 total revenues as noted.

Total **General Fund** expenditures for fiscal 2014 decreased $145,675 or .82% from fiscal 2013. Total general government expenditures were $112,528 below the 2013 amount. The majority of this change occurred in the information system, administration, and election and registrar line items.

In total the judicial system expenditures increased $50,590 or 2.09%. The major increase relates to the costs for the Superior Court and the District Attorney's office.

The largest cost center, public safety decreased $221,727 or 2.80%. The decrease in costs of the sheriff was $257,360; emergency management of $24,834, drug task force of $52,296 and animal control of $9,589. There was also an increase in costs for the Jail of $38,165. The County police had an increase of $66,943 and volunteer fire increased $18,024.

Planning/Community Development increased $140,801 over 2013 principally due an increase in Airport improvements funded by a Federal grant.

2008 SPLOST Capital Project Fund - The 2008 Special Purpose Local Option Sales Tax Capital Project Fund is utilized to account for the proceeds of a 1 percent local option sales tax approved November 6, 2007 for a period of time not to exceed six years for the purpose of funding County wide recreation, paving and bridge improvements, equipment and facilities for public safety, public health equipment and facilities, public

welfare improvements, County buildings and facilities, economic development and safety equipment and an intergovernmental agreement with the cities of Cedartown, Rockmart and Aragon.

This fund is being spent down, consistent with the approved referendum approved projects list. In this year, this fund received $4,659,215 of sales tax collections, State paving contracts of $1,145,317, investment earnings of $724 and other miscellaneous revenue of $6,065.

The fund expended $3,339,913 for County projects controlled by the Board of Commissioners and transmitted $2,156,286 to the cities pursuant to the applicable intergovernmental agreements.

At June 30, 2014, the fund balance was $4,517,602 as compared to $4,202,480 at June 30, 2013
.

E-911 Special Revenue Fund - To account for funds generated from telephone subscriber surcharge fees for the emergency 911 system.

At June 30, 2014 cash and accounts receivables were $82,343 less than 2013 while accounts payable, accruals and advances due other funds was down $121,470. The fund deficit at June 30, 2014 was $556,343 which is less than the 2013 balance of $595,470.

Charges for services increased $70,556 or 11.88%.

Total expenditures in 2014 were $9,887 or 1.1% less than 2013.

Total governmental expenditures in fiscal 2014 were down $640,164 or 2.56% from fiscal year 2013. General government decreased $192,154 or 5.60%. Public safety decreased $357,763 due to the items discussed above applicable to the general fund and less equipment purchased in the 2008 SPLOST Fund. Public works increased $1,363,237 primarily due to less paving projects and culvert installations funded by the 2008 SPLOST fund. Planning/Community development increased $1,255,809 principally due to increased contributions to the Development Authority for employment growth.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, the analysis is presented above.

General Fund Budgetary Highlights

The General Fund – The total general fund revenue budget (excluding other financing sources) was amended upwards by $1,195,578 or 7.06%. The General Property tax budget was amended upward $309,700 but the final revenue was still over budget by $43,273. Auto ad valorem and mobile home tax was amended upward $452,000 as result of more information regarding the new automobile title tax. Sales taxes were adjusted downward by $118,000 due to a more stabilized sales environment, with the actual revenue being under the budget by $45.

Other financing sources (uses) had a negative variance of $189,867 as a result of no transfer in form the landfill fund being made.

Insurance premium tax was $31,193 over budget.

In total, intergovernmental revenue was below the budget by $30,472. The budget for the Federal and State revenues was amended downward by $20,000 while actual revenues were $7,449 over the final budget.

Charges for services were under the final budget by $78,823 primarily as a result of prisoner housing fees not meeting the anticipated budget amounts. .

Courts and Law Enforcement were $8,660 under budget. Investment earnings were $545 above budget. In total, the County recognized 100.4 % of the final revenue budget.

The General Fund's expenditure budget was decreased $470,921 or 2.53%

The general government function was under spent by $84,238 or 2.6%. The administration department was under spent by $42,529 or 3.67%.

Tax assessor and tax commissioner was under spent by $34,140 or 3.43%.

The public safety budget was under spent by $265,213. The county police was under budget by $92,888 and the sheriff was under budget by $145,466. The public works budget was under spent by $71,605 Planning/Community Development was under budget by $11,019 or 1.18%.

In total, the County under spent the final expenditure budget by $491,129 or 2.71%. Because of the slow economic recovery, all departments attempted to minimize their spending.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2014, was $32,407,550 and $183,411 respectively. The net investment increased .58 % for governmental and decreased 6.3% for business-type activities. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Non-depreciable assets:						
Land	$ 3,115,756	$ 3,115,756	$ 150,186	$ 150,186	$ 3,265,942	$ 3,265,942
Construction in progress	413,873	1,699,250	-	-	413,873	1,699,250
Total non-depreciable	**3,529,629**	**4,815,006**	**150,186**	**150,186**	**3,679,815**	**4,965,192**
Depreciable assets:						
Land improvements	1,877,805	1,853,529	-	-	1,877,805	1,853,529
Buildings	20,949,836	20,617,320	-	-	20,949,836	20,617,320
Machinery and equipment	13,937,926	12,497,193	-	-	13,937,926	12,497,193
Infrastructure	34,323,778	33,738,016	-	-	34,323,778	33,738,016
Landfill	-	-	5,122,144	5,122,144	5,122,144	5,122,144
Total depreciable assets	**71,089,345**	**68,706,058**	**5,122,144**	**5,122,144**	**76,211,489**	**73,828,202**
Less accumulated depreciation	42,211,424	41,301,214	5,088,919	5,076,615	47,300,343	46,377,829
Book value - depreciable assets	**28,877,921**	**27,404,844**	**33,225**	**45,529**	**28,911,146**	**27,450,373**
Percentage depreciated	**59.38%**	**60.11%**	**99.35%**	**99.11%**	**62.06%**	**62.82%**
Book value - all assets	**$ 32,407,550**	**$ 32,219,850**	**$ 183,411**	**$ 195,715**	**$ 32,590,961**	**$ 32,415,565**

At June 30, 2014, the depreciable capital assets for governmental activities were 59.38% depreciated. This is slightly below the June 30, 2013 percentage. This comparison indicates that the County is not replacing

its assets at the same rate as they are depreciating which is a factor to monitor. However, since almost 62 % of the County's governmental assets are depreciated this is a further indicator that the County needs to work towards replacing its some of its capital assets.

For governmental activities, construction in progress decreased by $1,285,377. The following is a detail of the projects:

Project	Cost
Firing Range	$ 279,391
Administrative building	4,900
Public Works Facility	129,582
	$ 413,873

Infrastructure increased approximately $585,762 for road paving and resurfacing. Machinery and equipment increased approximately $1,440,733. Amounts under the threshold limits set by the County are not reflected in these amounts.

With the County's business type activities, 99.35% of the asset values were depreciated at June 30, 2014 compared to 99.11% at June 30, 2013. Since the operations of the landfill are contracted out, this large percentage of depreciated assets is not a significant issue.

Long-term Debt

At the end of the fiscal year, the County had installment contracts of $591. The installment contracts liability relates to equipment purchases.

During the year, the County retired $2,175 or 78.6% of the beginning installment contracts.

Outstanding Borrowings

	Governmental Activities		Business-type Activities		Totals		% Change
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	
Installment contracts	$ 591	$ 2,766	$ -	$ -	$ 591	$ 2,766	-78.6%
Landfill closure and post-closure care	-		885,814	924,163	885,814	924,163	-4%
Compensated absences	771,566	789,964	-	-	771,566	789,964	-2.3%
Total	**$ 772,157**	**$ 792,730**	**$ 885,814**	**$ 924,163**	**$ 1,657,971**	**$ 1,716,893**	**-3.4%**

The County's last bond rating for the uninsured bonds was "A", but no ratings have been secured in the last 15 years since the County had not issued any general obligation bonds.

See Note 3-I for additional information about the County's long-term debt. We discuss the landfill closure and postclosure care liability in Note 3-G.

Economic Conditions Affecting the County

The overall economic condition for Polk County during this past 2014 fiscal year did not reflect a notable Improvement over that of recent years. Even though General Fund Revenues for FY2014 recorded a mild 1.38% increase, key economic indicators such as Local Option Sales Tax and Property Tax revenues were in decline. This trend was echoed by a significant decline in new Residential Construction Permits issued during FY2014 as compared to the number of permits issued during FY2013. During FY2015 and until economic conditions notably improve; the county will continue to take a very conservative approach toward county finances, regardless of recent economic forecasts suggesting an optimistic upcoming fiscal year.

According to the latest information available, the County's unemployment rate at the close of FY2014 was7.6% which was slightly lower than the state and regional average of 7.8%. The 7.6% figure however did reflect a strong decline in the county's unemployment rate of 8.4% recorded at the close of FY2013. The breakdown of employment by sector for the county at the close of FY2014 was as follows; overall, manufacturing, accounted for approximately 22% of the jobs located in the county. Within manufacturing, 4.2% of the jobs were in construction. Service sector jobs accounted for approximately 60% of the jobs in Polk County... Of the service sector jobs, retail trade accounted for an estimated 13.4%. Government sector jobs reflected 16.7% of the jobs in the county.

In spite of a continued sluggish economy, Polk County Government Leaders and Staff continue to work hard to maintain the level of service provided to the residents in past years. No county jobs have been lost nor has the county had to implement mandatory furloughs as other regional counties have had to implement.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Finance Director at Polk County Board of Commissioners. P.O. Box 268, Cedartown, GA 30125.

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BASIC FINANCIAL STATEMENTS

Polk County, Georgia
Statement of Net Position
June 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	$ 12,590,513	$ 6,781,190	$ 19,371,703	$ 1,206,197
Receivables:				
Accounts	230,271	126,769	357,040	-
Property taxes	1,002,914	-	1,002,914	-
Intergovernmental	1,568,647	-	1,568,647	104,734
Interest	500	2,864	3,364	-
Internal	-	-	-	-
Inventory	32,843	-	32,843	3,865,132
Prepaid items	447,824	-	447,824	-
Net pension obligation	221,214	-	221,214	-
Restricted Assets	-	2,207,004	2,207,004	-
Capital Assets:				
Nondepreciable capital assets	3,529,629	150,186	3,679,815	-
Depreciable capital assets, net	28,877,921	33,225	28,911,146	-
Total Assets	48,502,276	9,301,238	57,803,514	5,176,063
Liabilities				
Current Liabilities				
Accounts payable	947,014	7,626	954,640	124,071
Intergovernmental payable	234,728	-	234,728	37,256
Accrued expenses	701,643	-	701,643	-
Accrued interest payable	14	-	14	-
Notes payable	-	-	-	3,115,295
Unearned revenue	-	5,000	5,000	-
Compensated absences payable	425,000	-	425,000	-
Installment contracts payable	591	-	591	-
Long-Term Liabilities:				
Net OPEB obligation	5,358,909	-	5,358,909	-
Compensated absences payable (net of current portion)	346,566	-	346,566	35,597
Advanced funding - postclosure trust agreement	-	2,154,951	2,154,951	-
Landfill closure and postclosure care costs	-	885,814	885,814	-
Total Liabilities	8,014,465	3,053,391	11,067,856	3,312,219
DEFERRED INFLOWS OF RESOURCES	556,837	-	556,837	-
Net Position				
Net investment in capital assets	32,406,959	183,411	32,590,370	-
Restricted for:				
Capital projects	4,522,660	-	4,522,660	-
Public safety	390,478	-	390,478	-
Other purposes	221,984	-	221,984	-
Unrestricted	2,388,893	6,064,436	8,453,329	1,863,844
Total Net Position	$ 39,930,974	$ 6,247,847	$ 46,178,821	$ 1,863,844

See accompanying notes to the basic financial statements

Polk County, Georgia
Statement of Activities
For the Year Ended June 30, 2014

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government								
General government	$ 4,035,145	$ 465,071	$ 10,488	$ -	$ (3,559,586)	$ -	$ (3,559,586)	$ -
Judicial	2,660,691	1,183,790	252,263	-	(1,224,638)	-	(1,224,638)	-
Public safety	10,140,329	933,389	28,678	-	(9,178,262)	-	(9,178,262)	-
Public works	4,343,478	-	-	1,206,363	(3,137,115)	-	(3,137,115)	-
Planning/community development	2,660,391	271,768	-	-	(2,388,623)	-	(2,388,623)	-
Health and welfare	333,863	-	-	-	(333,863)	-	(333,863)	-
Culture and recreation	399,160	-	-	-	(399,160)	-	(399,160)	-
Sanitation	504,299	-	-	-	(504,299)	-	(504,299)	-
Interest	4,970	-	-	-	(4,970)	-	(4,970)	-
Total Governmental Activities	$ 25,082,326	$ 2,854,018	$ 291,429	$ 1,206,363	(20,730,516)	-	(20,730,516)	-
Business-Type Activities:								
Solid Waste	$ 64,216	$ 1,547,796	$ -	$ -	-	1,483,580	1,483,580	-
Component Units								
Polk County Health Department	$ 1,134,338	$ 444,992	$ 524,976	$ -				(164,370)
Development Authority of Polk County	237,991	-	-	-				(237,991)
Total - Component Units	$ 1,372,329	$ 444,992	$ 524,976	$ -				(402,361)
		General Revenues						
		General property taxes			11,068,532	-	11,068,532	-
		Recording intangibles			96,382	-	96,382	-
		Real estate transfer taxes			28,418	-	28,418	-
		Alcoholic beverage taxes			120,133	-	120,133	-
		Sales taxes			7,141,170	-	7,141,170	-
		Insurance premium tax			1,246,193	-	1,246,193	-
		Other taxes			227,421	-	227,421	-
		Unrestricted county funding			-	-	-	480,728
		Rents			370,362	-	370,362	-
		Investment earnings			5,224	2,372	7,596	3,461
		Miscellaneous			323,457	-	323,457	8,141
		Total General Revenues			20,627,292	2,372	20,629,664	492,330
		Transfers			-	-	-	-
		Total General Revenues and Transfers			20,627,292	2,372	20,629,664	492,330
		Change in Net Assets			(103,224)	1,485,952	1,382,728	89,969
		Net Positon - Beginning			40,034,198	4,761,895	44,796,093	1,773,875
		Net Position - Ending			$ 39,930,974	$ 6,247,847	$ 46,178,821	$ 1,863,844

See accompanying notes to the basic financial statements

Polk County, Georgia
Balance Sheet
Governmental Funds
June 30, 2014

	General	2008 SPLOST	E-911 Emergency Telephone Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 7,557,520	$ 4,355,775	$ 73,776	$ 603,442	$ 12,590,513
Receivables					
Accounts	138,291	-	91,980	-	230,271
Property taxes	1,002,914	-	-	-	1,002,914
Intergovernmental	1,067,250	494,310	-	7,087	1,568,647
Interest	500	-	-	-	500
Interfund	464	-	-	16,942	17,406
Advances	604,186	-	-	-	604,186
Inventory	32,843	-	-	-	32,843
Prepaid items	447,824	-	-	-	447,824
Total Assets	$ 10,851,792	$ 4,850,085	$ 165,756	$ 627,471	$ 16,495,104
LIABILITIES					
Accounts payable	$ 828,751	$ 103,716	$ 11,092	$ 3,453	$ 947,012
Accrued expenditures	594,824	-	106,821	-	701,645
Interfund payable	15,930	-	-	1,476	17,406
Advances payable	-	-	604,186	-	604,186
Intergovernmental	5,961	228,767	-	-	234,728
Total Liabilities	1,445,466	332,483	722,099	4,929	2,504,977
DEFERRED INFLOWS OF RESOURCES	1,506,598	-	-	-	1,506,598
Fund Balances (Deficits)					
Nonspendable:					
Prepaid items	447,824	-	-	-	447,824
Inventory	32,843	-	-	-	32,843
Advances to other funds	604,186	-	-	-	604,186
Restricted for:					
Capital projects	-	4,517,602	-	5,058	4,522,660
Public Safety	-	-	-	360,615	360,615
Law Library	-	-	-	67,015	67,015
Court programs	-	-	-	109,571	109,571
Superior Court statewide index program	-	-	-	75,261	75,261
Assigned - Sheriff special programs	-	-	-	5,022	5,022
Unassigned					
General fund	6,814,875	-	-	-	6,814,875
Special revenue funds	-	-	(556,343)	-	(556,343)
Total Fund Balances (Deficits)	7,899,728	4,517,602	(556,343)	622,542	12,483,529
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 10,851,792	$ 4,850,085	$ 165,756	$ 627,471	$ 16,495,104

Polk County, Georgia
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2014

Total Governmental Fund Balances		$ 12,483,529
Amounts reported for governmental activities in the statement of net assets are different because:		
Net pension obligation		221,214
Governmental funds report capital outlay as expenditures are different because: However, in the statement of net assets the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	$ 74,618,974	
Less accumulated depreciation	(42,211,424)	32,407,550
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes	933,962	
Rents	15,799	949,761
Liabilities not due and payable in the current period and therefore are not reported in the funds but are reported at the government-wide financial reporting levels.		
Installment contracts	(591)	
Other postemployment benefits	(5,358,909)	
Compensated absences	(771,566)	(6,131,080)
Net Assets Of Governmental Activities		$ 39,930,974

Polk County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General	2008 SPLOST	E-911 Emergency Telephone Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 15,242,785	$ 4,659,215	$ -	$ -	$ 19,902,000
Licenses and permits	80,393	-	-	-	80,393
Intergovernmental	302,528	1,145,317	-	-	1,447,845
Charges for services	940,677	-	664,288	19,018	1,623,983
Courts and Law enforcement	979,340	-	-	204,450	1,183,790
Investment earnings and rents	374,545	724	-	317	375,586
Miscellaneous	267,843	6,065	181	49,368	323,457
Total Revenues	18,188,111	5,811,321	664,469	273,153	24,937,054
Expenditures					
Current:					
General government	3,152,626	87,365	-	-	3,239,991
Judicial	2,471,202	-	-	77,419	2,548,621
Public safety	7,689,722	960,652	891,338	221,017	9,762,729
Public works	2,240,395	961,896	-	-	3,202,291
Planning/community development	919,924	1,300,000	-	-	2,219,924
Health and welfare	334,663	-	-	-	334,663
Culture and recreation	322,899	30,000	-	-	352,899
Planning/community development	-	-	-	-	-
Sanitation	504,299	-	-	-	504,299
Intergovernmental	-	2,156,286	-	-	2,156,286
Debt Service	7,145	-	-	-	7,145
Total Expenditures	17,642,875	5,496,199	891,338	298,436	24,328,848
Excess (Deficiency) of Revenues Over (Under) Expenditures	545,236	315,122	(226,869)	(25,283)	608,206
Other Financing Sources (Uses)					
Sale of capital assets	31,133	-	-	-	31,133
Transfers in	60,000	-	265,996	10,126	336,122
Transfers out	(265,996)	-	-	(70,126)	(336,122)
Total Other Financing Sources (Uses)	(174,863)	-	265,996	(60,000)	31,133
Net Change in Fund Balances	370,373	315,122	39,127	(85,283)	639,339
Fund Balances Beginning of Year	7,529,355	4,202,480	(595,470)	707,825	11,844,190
Fund Balances End of Year	$ 7,899,728	$ 4,517,602	$ (556,343)	$ 622,542	$ 12,483,529

See accompanying notes to the basic financial statements

Polk County, Georgia
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Changes In Fund Balances - Total Governmental Funds		$ 639,339
Amounts reported for governmental activities in the statement of activities are different because		
Net pension obligation - to recognize pension assets resulting from contributions in excess of the annual contribution		13,781
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (1,414,036)	
Capital outlay	1,642,700	228,664
In the statement of activities, a gain or loss on sales, trade-ins, or other dispositions of capital assets is reported, whereas in the governmental funds, the proceeds received from dispositions of capital assets increases financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of capital assets disposed		(40,964)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred revenues		42,048
Elimination of transfers between governmental funds:		
Transfers in	(336,122)	
Transfers out	336,122	-
Other postemployment expenses are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(1,006,665)
Interest expense 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.		
Liability @ 6/30/14	(14)	
Liability @ 6/30/13	14	-
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		2,175
Compensated absences 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.		
Liability @ 6/30/14	(771,566)	
Liability @ 6/30/13	789,964	18,398
Change In Net Assets of Governmental Activities		$ (103,224)

See accompanying notes to the basic financial statements

Polk County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Fund Solid Waste
Assets	
Current Assets	
Cash and cash equivalents	$ 6,781,190
Receivables:	
Accounts	126,769
Interest	2,864
Total Current Assets	6,910,823
Noncurrent Assets	
Restricted Assets	
Cash and cash equivalents	2,207,004
Capital Assets	
Land	150,186
Depreciable capital assets, net	33,225
Total Noncurrent Assets	2,390,415
Total Assets	9,301,238
Liabilities	
Current Liabilities	
Interfund payable	-
Deferred revenue	5,000
Total Current Liabilities	12,626
Long-Term Liabilities	
Deferred income - postclosure trust agreement	2,154,951
Landfill closure and postclosure care costs	885,814
Total Long-Term Liabilities	3,040,765
Total Liabilities	3,053,391
Net Position	
Invested in capital assets	183,411
Unrestricted	6,064,436
Total Net Position	$ 6,247,847

Polk County, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Fund Solid Waste
Operating Revenues	
Rental and royalty fees	$ 1,529,112
Recycling sales	18,684
Total Operating Revenues	1,547,796
Operating Expenses	
Operating	51,912
Depreciation and amortization	12,304
Total Operating Expenses	64,216
Operating Income (Loss)	1,483,580
Non-Operating Revenues (Expenses)	
Investment earnings	2,372
Total Non-Operating Revenues (Expenses)	2,372
Income Before Transfers in (out)	1,485,952
Transfers out	-
Change in Net Assets	1,485,952
Net Position Beginning of Year	4,761,895
Net Position End of Year	$ 6,247,847

Polk County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

(continued)

	Business-type Activities - Enterprise Fund Solid Waste
Cash Flows from Operating Activities	
Cash received from customers	$ 1,551,192
Cash payments for goods and services	(82,635)
Net Cash Provided by Operating Activities	1,468,557
Cash Flows from Noncapital Financing Activities	
Postclosure trust funding by lessee	162,790
Net Cash Provided by (Used in) Noncapital Financing Activities	(257,210)
Cash Flows from Investing Activities	
Investment earnings	1,475
Net Increase in Cash and Cash Equivalents	1,212,822
Cash and Cash Equivalents Beginning of Year	7,775,372
Cash and Cash Equivalents End of Year	$ 8,988,194

Polk County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Fund Solid Waste
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ 1,483,580
Adjustments	
Depreciation and amortization	12,304
(Increase) Decrease in Assets	
Accounts receivable	3,396
Increase (Decrease) in Liabilities	
Accounts payable	7,626
Net Cash Provided by Operating Activities	$ 1,468,557

Polk County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	Agency
Assets	
Cash and cash equivalents	$ 533,920
Receivables	
Accounts	11,156
Property taxes	1,517,399
Total Assets	$ 2,062,475
Liabilities	
Due to others	$ 2,062,475

Polk County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2014

	Polk County Health Department	Development Authority of Polk County	Total
Assets			
Cash and cash equivalents	$ 302,632	$ 903,565	$ 1,206,197
Receivables			
Accounts			-
Intergovernmental	104,734	-	104,734
Notes	-	-	-
Inventory - Land and Building	-	3,860,213	3,860,213
Inventory - Supplies	4,919	-	4,919
Total Assets	412,285	4,763,778	5,176,063
Liabilities			
Notes payable	-	3,115,295	3,115,295
Accounts payable	3,625	120,446	124,071
Intergovernmental payable	37,256	-	37,256
Accrued expenses	-	-	-
Compensated absences - long-term	35,597	-	35,597
Total Liabilities	76,478	3,235,741	3,312,219
Net Position			
Unrestricted	335,807	1,528,037	1,863,844
Total Net Position	$ 335,807	$ 1,528,037	$ 1,863,844

POLK COUNTY, GEORGIA
Combining Statement of Activities
Components Units
For the year ended June 30, 2013

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Polk County Board of Health	Net (Expense) Revenue and Changes in Net Assets: Development Authority of Polk County	Net (Expense) Revenue and Changes in Net Assets: Total
Board of Health	$ 1,134,338	$ 444,992	$ 524,976	(164,370)	$ -	$ (164,370)
Development Authority	237,991	-	-	-	(237,991)	(237,991)
Total component units	$ 1,372,329	$ 444,992	$ 524,976	(164,370)	(237,991)	(402,361)
General revenues:						
Payments from Polk County				222,955	257,773	480,728
Unrestricted investment earnings				135	3,326	3,461
Miscellaneous				1	8,140	8,141
Total general revenues				223,091	269,239	492,330
Change in net position				58,721	31,248	89,969
Net assets - beginning				277,086	1,496,789	1,773,875
Net position - ending				$ 335,807	$ 1,528,037	$ 1,863,844

See accompanying notes to the basic financial statements

NOTES TO THE
BASIC FINANCIAL STATEMENTS

Index

Summary of Significant Accounting Policies 1
Reporting Entity 1-A
Basis of Presentation 1-B
Measurement Focus 1-C
Basis of Accounting 1-D
Assets, Liabilities, Deferred Outflows and Inflows, and Fund Equity 1-E
Cash, Cash Equivalents and Investments 1-E-1
Receivables 1-E-2
Interfund Balances 1-E-3
Consumable Inventories 1-E-4
Prepaid Items 1-E-5
Restricted Assets 1-E-6
Capital Assets 1-E-7
Compensated Absences 1-E-8
Accrued Liabilities and Long-term Obligations 1-E-9
Bond Premiums, Discounts and Issuance Costs 1-E-10
Fund Equity 1-E-11
Operating Revenues and Expenses 1-E-12
Contributions of Capital 1-E-13
Interfund Activity 1-E-14
Estimates 1-E-15
Comparative Data 1-E-16
Deferred Outflows/Inflows of Resources 1-E-17

Stewardship, Compliance and Accountability 2
Budgetary Information 2-A
Excess of Expenditures over Appropriations 2-B
Deficit Fund Equities 2-C

Detailed Notes on All Funds 3
Deposits and Investments 3-A
Receivables 3-B
Property Taxes 3-C
Capital Assets 3-D
Interfund Balances and Transfers 3-E
Compensated Absences 3-F
Landfill Closure and Post Closure Care Cost 3-G
Operating Leases 3-H
Long-Term Debt 3-I
Short-Term Tax Anticipation Notes 3-J
Pension's 3-K
Other Postemployment Benefits (OPEB) 3-L
Property Held for Leasing 3-M
Net Position 3-N

Other Notes 4
Risk Management 4-A
Contingent Liabilities 4-B
Jointly Governed Organizations 4-C
Joint Ventures 4-D
Landfill Operations 4-E
EMS Agreement 4-F
Deferred Outflows and Inflows of Resources 5-F

Geographically, Polk County is located in northwestern Georgia approximately 50 miles west of the city limits of Atlanta, with a land area of 311 square miles. The county's population was 41,475 in 2010 as estimated by the U.S. Census Bureau.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise fund at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the County legal entity and the County's constitutional officers (e.g., the sheriff, the tax commissioner).

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

The County's component units are presented either as "blended" or "discretely presented." When blended, it is reported as if it were a fund of the County throughout the year. It is included at both the government-wide and the fund financial reporting levels.

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

A brief description of the blended component unit follows:

Polk County Public Purpose Corporation (the Corporation) – the Corporation is governed by a three-member board appointed by County Board of Commissioners. Although it is legally separate from the County (created pursuant to Georgia Law) the Corporation is reported as if it were part of the primary government because its primary purpose was to acquire and construct a rental property and subsequently sell this asset to the County pursuant to an installment agreement that includes annual funding provisions.

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

Brief descriptions of the discretely presented component units follow:

Development Authority of Polk County (the Authority) – the Authority is responsible for promoting industrial and commercial development within the County. The members of the Authority's governing board are appointed to staggered terms by the County Board of Commissioners. The Authority is responsible for adopting its own annual budget and making its own operating decisions. However, the County does provide substantial financial support each year and has contractually obligated itself to use its taxing powers to guarantee the repayment of principal and interest on certain bank loans issued by the Authority. The Authority is presented as a governmental fund type. The Authority does not issue separate financial statements.

Polk County Health Department *(the Health Department)* – The Department is responsible for providing environmental and physical health services to the citizens of the County. The governing board of the Department consists of seven members. The Chairman of the Board of Commissioners, Chairman of the Cedartown City Commission, and the Superintendent of the Polk County Board of Education (by virtue of their offices), three members appointed by the County, and one member appointed by City of Cedartown. The County by virtue of its appointments and the presence of the Chairman of the Board of Commissioners on the Board of Health controls a majority of Board of Health governing positions. Although the County does not have the authority to approve or modify the Health Department's operational and capital budget, it does have the ability to control the amount of funding it provides to the Board of Health. Such funding is significant to the overall operations of the Health Department.

Complete financial information of the individual component units can be obtained directly from their administration offices.

Development Authority of Polk County
604 Goodyear Street
Rockmart, Georgia 30153

Polk County Board of Health
Ware Street
Cedartown, Georgia 30125

Polk County Public Purpose Corporation
Cedartown, Georgia

1-B. Basis of Presentation

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

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole except for fiduciary activities, which are excluded. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and County's general revenues, from business-type activities, generally financed in whole or in part with landfill rental/host fees to the landfill operator.

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are

specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

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

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

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

Major individual governmental and the major enterprise fund are reported in separate columns with composite columns for nonmajor funds.

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

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

> ***The General Fund*** - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Georgia.
>
> **2008 Special Purpose Local Option Sales Tax (SPLOST) -** The 2008 Special Purpose Local Option Sales Tax Capital Project Fund is utilized to account for the proceeds of a 1 percent local option sales tax approved November 6, 2007 for a period of time not to exceed six years for the purpose of funding County wide recreation, paving and bridge improvements, equipment and facilities for public safety, public health equipment and facilities, public welfare improvements, County buildings and facilities, economic development and safety equipment and an intergovernmental agreement with the cities of Cedartown, Rockmart and Aragon.

E-911 Special Revenue Fund – To account for funds generated from telephone subscriber surcharge fees for the emergency 911 system.

The County also reports *Other Governmental Funds*, which are individually nonmajor, in total.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as an enterprise fund and an internal service fund. The following is the County's major enterprise fund.

Solid Waste Fund - This fund accounts for the activity at the County landfill for which the operation is contracted to a private sector vendor.

Additionally, the County reports the following fund types:

Agency Funds – The County uses these funds to account for monies held primarily by Constitutional Officers for others on a temporary basis.

1-C. Measurement Focus

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

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

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

1-D. Basis of Accounting

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

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available.

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

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 4-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

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

Deferred/Unearned Revenue - Deferred revenue arises when a current cash receipt will be recorded as revenue in a future period.

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

At the government-wide financial reporting level, deferred revenue is reclassified as unearned revenue.

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

1-E Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

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

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

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

Obligations of the State of Georgia or of any other states
Obligations of the United States Government
Obligations fully insured or guaranteed by the United States Government or Government agency

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

1-E-2 Receivables

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

1-E-3 Interfund Balances

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

1-E-4 Consumable Inventories

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

On the fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expense (at the government-wide financial reporting level) or expenditure (at the fund financial reporting level) in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved, as this amount is not available for general appropriation.

1-E-6 Restricted Assets

Pursuant to the landfill operating agreement (Note 3-G) a trust was established to provide for post closure costs on the existing Grady Road Landfill. These resources only can be used for post-closure costs until all mandated requirements are met. Liabilities payable from these restricted assets are reported separately to indicate that the source of payment is the restricted assets.

1-E-7 Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values

as of the date received. The County maintains a capitalization threshold for machines and equipment, building and infrastructure of five, fifteen and twenty thousand dollars, respectively. The County's infrastructure consists of roads and bridges, which the County chose to include regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized, as applicable.

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

Description	Governmental Activities Estimated Lives	Business-type Activities Estimated Lives
Land improvements	20 years	--
Buildings	20 - 60 years	31.5 - 40 years
Building improvements	20 years	5 - 31.5 years
Machinery and equipment	5 - 10 years	3 - 15 years
Infrastructure	40 years	--

The landfill is amortized over its remaining useful life based upon landfill capacity. At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-8 Compensated Absences

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

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

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

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

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these

funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds, installment contracts and capital leases are recognized as a liability in the governmental fund financial statements when due.

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

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

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

1-E-11 Fund Equity

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

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

- **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 approval of a motion. 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 resolution, the Board of Commissioners has authorized the County Manager or designee to assign fund balances.

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

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first

and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Positions – The County implemented both GASB 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 July1, 2012. These new standards establish accounting and financial reporting for deferred inflows of resources and the concept of net positions as the residual of all other elements presented of net position. Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic measurements focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

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

1-E-12 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for solid waste activities. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. Nonoperating revenues and expenses are all those that do not meet the criteria described above, and include interest and debt service expenses.

1-E-13 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-14 Interfund Activity

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

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

1-E 15 Estimates

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

1-E-16 Comparative Data

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

1-E-17 Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial element, *Deferred Outflows of Resources,* represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. There were no deferred outflows of resources in 2014. The separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category.

Note 2 – Stewardship, Compliance and Accountability

2-A Budgetary Information – Annual budgets are adopted on a basis consistent with GAAP for the general fund, all special revenue funds and the debt service funds. Project length budgets are adopted for capital projects funds in the normal budget process or de facto through the SPLOST referendum process. For administrative control purposes, a budget is adopted for the enterprise fund. All funds which are required to be budgeted by the Georgia Code will be budgeted in future fiscal years.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of Commissioners.

The County Manager may approve budget transfers between line items within departments. The Board of Commissioners must approve any transfers of personnel or capital appropriations. During the year, Board of Commissioners approved budget revisions.

All unexpended annual appropriations lapse at year-end.

2-B Excess of Expenditures over Appropriations

General Fund:

At June 30, 2014, no department's expenditures were over appropriations in excess of 3% of their budget.

Special Revenue:

Expenditures exceeded appropriations in the following funds:

Law Enforcement Confiscated Monies- Sheriff	$	69,114		
Jail Maintenance		3,795		
District Attorney		40,359		
Sheriff - Other programs		42,144		

All amounts were funded from current revenues or available fund balances. The importance of budget amendments will be reviewed with the elected officials who control these funds.

2-C Deficit Fund Equities

The following individual fund had deficit equities at the fund reporting level at June 30, 2014:

Emergency Telephone Special Revenue Fund $ 556,343

The deficits will be funded by General Fund transfers in future years and grant receipts, respectively.

Note 3 - Detailed Notes on All Funds

3-A Deposits and Investments

A reconciliation of cash and investments as shown on the statements of net position follows:

	Cash and Cash Equivalents	Total
Cash on hand	$ 3,635	$ 3,635
Balances per note below	23,315,189	23,315,189
Total Cash and Investments	$ **23,318,824**	$ **23,318,824**
Statements of net assets (page 16)		
Primary Government:		
Cash and Cash Equivalents		$ 19,371,703
Restricted Assets		2,207,004
Component Unit		1,206,197
Statement of fiduciary net assets (page 26)		533,920
Total		**$ 23,318,824**

Deposits

The deposits of the County are governed by Georgia General Statutes (45-8-12; 13; etal) which allow depositories to collateralize excess deposits above Federal depository insurance coverage by one of two methods. Under the Dedicated Method, all deposits exceeding the Federal depository insurance coverage are collateralized with securities held by the County's agent in the County's name. Under the Georgia State Pledging Pool Program Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the director of the Office of State Treasurer agent in the name of the director. The State has selected the Georgia Bankers Association as agent. Since the director is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of

the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the director the adequacy of their pooled collateral covering uninsured deposits. The director does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the director of the Office of State Treasurer enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

Interest rate risk – Interest rate risk is the risk that the market value of securities in the County's portfolio will fall due to changes in general interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – deposits – Custodial credit risk for deposits is the risk that, in the event of bank failure, a government's deposits may not be returned to it. At June 30, 2014, the County (including the component units) had a carrying amount of $23,315,189 and bank balances of $22,900,349. The County's deposits were either covered by federal depository insurance, collateralized through the Georgia Public Funds Pledging Pool or other authorized securities listed herein:

Georgia law governs collateral requirements and forms of collateral under O.C.G.A. Section 45-8-12 which is incorporated by reference within the County's Investment Policy. The County has no custodial credit risk policies requiring additional collateral. In summary, Georgia law states:

- All deposits shall be collateralized within 10 days of deposit by a surety bond, a guarantee of insurance, or collateral.

- The face value of any surety bond, guarantee of insurance or collateral shall be at least 110% of the public funds being secured, net of deposit insurance.

- If a depository elects the pooled method (O.C.G.A. Section 45-8-13.1), the aggregate market value of pledged securities may not be less than 110% of the daily pool balance.

Authorized security for deposits enumerated under law includes surety bonds, FDIC insurance, obligations of the United States or the State of Georgia, obligations of Georgia counties or municipalities, bonds of any Georgia public authority, industrial revenue bonds of any Georgia development authority, and obligations of any subsidiary corporation of the United States government fully guaranteed by the United States (such as Federal Home Loan Bank, Federal National Mortgage Association, etc).

Investments

Interest rate risk – Interest rate risk is the risk that the market value of securities in the County's portfolio will fall due to changes in general interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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 banker's acceptances; the local government

investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Custodial credit risk – Investments - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all 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.

Concentration of credit risk – Polk County places no limit on the amount it may invest in any one issuer.

3-B Receivables

Receivables at June 30, 2014, consisted of taxes, accounts (billings for user charges), and intergovernmental receivables arising from grants.

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

	General	2008 SPLOST	E-911 Special Revenue Fund	Nonmajor Governmental Funds	Solid Waste	Total
Primary Government						
Taxes - property	$ 1,033,932	$ -	$ -	$ -	$ -	$ 1,033,932
Accounts	138,291	-	91,980	-	126,769	357,040
Interest	500	-	-	-	2,864	3,364
Intergovernmental	1,067,250	494,310	-	7,087	-	1,568,647
Gross receivables	**2,239,973**	**494,310**	**91,980**	**7,087**	**129,633**	**2,962,983**
Less: allowance for uncollectibles	(31,018)	-	-	-	-	(31,018)
Net total receivables	**2,208,955**	**494,310**	**91,980**	**7,087**	**129,633**	**2,931,965**
Component units						
Intergovernmental	104,734	-	-	-	-	104,734
Gross receivables	104,734	-	-	**-**	-	**104,734**
Less: allowance for uncollectibles	-	-	-	-	-	-
Net total net receivables	104,734	-	-	**-**	-	**104,734**
Total reporting entity	$ **2,313,689**	$ **494,310**	$ **91,980**	$ **7,087**	$ **129,633**	$ **3,036,699**

3-C Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 and were levied on August 6, 2013, by the Board of Commissioners. Tax bills were mailed August 15 and will be delinquent after December 1, 2013. Motor vehicle taxes are assessed and collected on the owner's birth date or by company name for business.

Property taxes include amounts levied against all real property, public utility property, tangible personal property and timber located in the County.

The State, through the Property Tax Division, has been given the statutory duty of reviewing county tax digests to determine if the digests meet the criteria mandated in statute case laws and regulation for level of assessment, uniformity and equalization.

State statutes establishes the procedure for the State to equalize county property tax digests between and within counties and compel county boards of tax assessors to make adjustments in property valuations so as to insure uniformity and equity.

As directed by the legislature, the State has adopted a three-year digest review cycle in which each county's tax digest is reviewed extensively to determine the level of assessment, uniformity and equalization in each property class. In any given year, one third of the county tax digests are subject to extensive statistical testing. Counties, which do not meet the criteria, set forth in the statute and regulations are allowed an opportunity during the three year cycle to correct any deficiencies by the next review year. The other counties that are not being extensively reviewed are examined for level of assessment to equalize the state levy and public utility assessments. The State approves any county's digest as being reasonably uniform and equalized if the digest meets certain standards.

For those digests submitted by counties in their digest review year, the State completes the review on or before August 1 of the following tax year or within 30 days of the date the ratio study results are provided by the State Auditor. Based upon this review, the State will approve any digest when it is found to be reasonably uniform and equalized by having met the following state established standards:

The average level of assessment for each class of property meets the state standards of 36% to 44%;

The average measure of overall equalization, the coefficient of dispersion, meets the state standard of 15% or less for residential properties and 20% or less for all other property classes.

The bias ratio, or statistical measure of price related differential, meets the state standard of 95% to 110%.

The State conditionally approves the digest and assesses a penalty of $5 per taxable parcel of real property if a county's review year digest contains the same or similar deficiencies as the previous review year digest. If the overall average assessment level does not meet state standards, the county is assessed additional state tax in the amount equal to the difference between the state's one-quarter of a mill that would have been produced if the digest had been at the proper assessment level and the amount the digest actually produces for collection purposes.

For those counties submitting their digest during a non-review year, digests are evaluated by the State based on the overall average assessment ratio deviation from the proper assessment ratio of 36% to 44%.

Beginning with the 2000 tax year digest reviews, in order to measure the compliance of each county in meeting state standards for digest approval, the State utilizes the information provided by the State Auditor from the sales ratio studies developed for each county. Each county's ratio study measures the statistical standards of level of assessment, uniformity and equalization.
The Georgia Code requires the State to annually propose assessments for public utility property and to insure that these properties are assessed at the same overall average assessment level as other property in the county. Each utility company is required to annually return their properties indicating location, description, type of property and valuation. The Revenue

Commissioner's staff inspects these returns to insure the accuracy of each utility company's declarations. In the 1983 legislative session, a bill was passed establishing preferential assessment of tangible real property devoted to bona fide agricultural purposes. By statute, all real property is assessed at 40% of fair market value, however, the new legislation provided for a 30% level of assessment or 75% of the value at which other taxable real property is assessed.

In making application for preferential assessment, qualifying taxpayers must have signed a covenant (contract) agreeing to continuously maintain the property in agricultural pursuits for a period of 10 years.

In 1991, the Legislature embraced the "current use" valuation concept. This bill provided for the assessment for ad valorem tax purposes of certain qualifying properties based on current use value rather than fair market value. This is under an assessment program known as conservation use covenants.

Prior to 1992, timber was taxed annually as part of the tax digest. Along with Conservation Use Valuation, the amendment to the Georgia Constitution, which was approved by the electorate in 1991, also provided for a one-time assessment on harvested timber versus the annual taxation of timber as part of the value of real estate. Timber is now taxed once at its current value when harvested.

The County bills and collects its own real property taxes as well as the County School System and the State of Georgia. The County also collects its own personal property taxes as well as those of the County School System, the State of Georgia, and incorporated cities. Collection and remittance of taxes are accounted for in the Tax Commissioner Agency Fund.

3-D Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Balance 7/1/2013	Additions	Deductions	Balance 6/30/2014
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 3,115,756	$ -	$ -	$ 3,115,756
Construction in progress	1,699,250	434,653	1,720,030	413,873
Total capital assets not being depreciated	**4,815,006**	**434,653**	**1,720,030**	**3,529,629**
Depreciable capital assets:				
Land improvements	1,853,529	24,276	-	1,877,805
Buildings	20,617,320	332,516	-	20,949,836
Machinery and equipment	12,497,193	1,985,523	544,790	13,937,926
Infrastructure	33,738,016	585,762	-	34,323,778
Total depreciable capital assets	**68,706,058**	**2,928,077**	**544,790**	**71,089,345**
Total capital assets	**73,521,064**	**3,362,730**	**2,264,820**	**74,618,974**
Accumulated depreciation:				
Land improvements	1,204,227	64,375	-	1,268,602
Buildings	6,903,235	427,933	-	7,331,168
Machinery and equipment	8,873,663	577,956	503,826	8,947,793
Infrastructure	24,320,089	343,772	-	24,663,861
Total accumulated depreciation	**41,301,214**	**1,414,036**	**503,826**	**42,211,424**
Governmental activities capital assets, net	**$ 32,219,850**	**$ 1,948,694**	**$ 1,760,994**	**$ 32,407,550**

See Note 4-G

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General government	$ 178,612
Judical	8,914
Public safety	612,733
Public works	488,512
Health and welfare	23,476
Economic development	101,789
Total governmental activities depreciation expense	$ **1,414,036**

	Balance 7/1/2013	Additions	Deductions	Balance 6/30/2014
Business-type activities				
Capital assets not being depreciated:				
Land	$ 150,186	$ -	$ -	$ 150,186
Total capital assets not being depreciated	**150,186**	**-**	**-**	**150,186**
Depreciable capital assets:				
Land improvements	78,980	-	-	78,980
Landfill	4,692,921	-	-	4,692,921
Compactor	124,876	-	-	124,876
Dumpsters	9,187	-	-	9,187
Buildings	9,909	-	-	9,909
Other improvements	2,450	-	-	2,450
Machinery and equipment	200,390	-	-	200,390
Furniture and fixtures	3,431	-	-	3,431
Total depreciable capital assets	**5,122,144**	**-**	**-**	**5,122,144**
Total capital assets costs	**5,272,330**	**-**	**-**	**5,272,330**
Accumulated depreciation:				
Land Amortization	78,980	-	-	78,980
Landfill	4,686,369	-	-	4,686,369
Compactor	124,876	-	-	124,876
Dumpsters	9,187	-	-	9,187
Buildings	9,214	-	-	9,214
Other improvements	2,450	-	-	2,450
Machinery and equipment	162,108	12,304	-	174,412
Furniture and fixtures	3,431	-	-	3,431
Total accumulated depreciation	**5,076,615**	**12,304**	**-**	**5,088,919**
Business-type activities capital assets, net	**$ 195,715**	**$ (12,304)**	**$ -**	**$ 183,411**

3-E Interfund Balances and Transfers

Interfund balances at June 30, 2014, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year except for the general fund advance to the Emergency Telephone Fund in the amount of $604,186.

The following table reports interfund receivables and payables classified as such:

	Payable From		
Payable to	**General Fund**	**Non-Major Governmental Fund**	**Total**
General Fund	$ -	$ 464	$ 464
Non-major Governmental Funds	15,930	1,012	16,942
	$ 15,930	**$ 1,476**	**$ 17,406**

The following table reports the advances receivable and payable:

Payable to	**Payable from E-911 Special Revenue Fund**
General Fund	**$ 604,186**

Interfund transfers for the year ended June 30, 2014, consisted of the following:

	Transfers From:			
Transfer to	**General Fund**	**Non-major Governmental Funds**	**Solid Waste**	**Total**
General Fund	$ -	$ 60,000	$ -	$ 60,000
E-911 Special Revenue Fund	265,996	-	-	265,996
Non-major Governmental Funds	-	10,126	-	10,126
	$ 265,996	**$ 70,126**	**$ -**	**$ 336,122**

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F Compensated Absences

Annual leave is earned at the rate of ten days per year after six months of service, for the first five years up to a maximum of 25 days per year after thirty years for the remainder of employment. There is no requirement that annual leave be taken; however, any leave in excess of 10 days not taken is forfeited. Upon termination, all employees are paid for all accumulated annual leave.

Sick leave is earned at the rate of eight hours for each month of service with accumulation subject to limits. Unused sick leave is paid with accumulation subject to a 60 day limitation upon termination of employment.

3-G Landfill Closure and Postclosure Care Cost

State and federal laws and regulations required the County to place a final cover on its Highway 278 landfill when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for a minimum of 5 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $1,018,328 reported as landfill postclosure cost liability at year-end represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill, net of related expenditures to date of $132,514. These amounts are based on what it would cost to perform all postclosure in 2014. The County stopped receiving waste in this landfill prior to April 9, 1994, but will be required to monitor the site for 30 years. The 30 year monitoring requirement began July 1, 1999, therefore the monitoring will be in effect for sixteen more years. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

State and federal laws and regulations require the County to place a final cover on its Grady Road landfill (Phase I and II, approximately 3,657,085 ton capacity, as last modified February 18, 2010) when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $4,837,714 reported as landfill closure/postclosure cost liability at year-end represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the Phases I and II, net of related expenditures to date of $-0- and lessee closure contractual obligations of $4,837,714. As noted below, the site footprint is being expanded therefore capacity and closure/postclosure costs will be substantially changed once the D&O plan is submitted and approved by the State. The County will recognize the remaining estimated cost of closure and postclosure care net of the lessee contractual obligation as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure in 2014. As described below, all closure/postclosure costs are a contractual obligation of the lessee, and therefore the County does not expect to incur any additional costs associated with the closure/postclosure of Phases I and II. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Closure and postclosure care financial assurance requirements will be met by lessee contractual commitments secured by a funded trust and bank letters of credit.

The County and contractor have obtained approval for certain minor modifications of the original D & O applicable to Phases I and II. In addition, other significant modifications will be presented to the State as related to the remaining 40 acres that are under an existing D & O plan. When these changes are approved, the closure and post-closure costs and amortization period will be modified accordingly. It is anticipated that the plan will be approved in fiscal years 2014 - 2015.

On December 4, 2001, (finalized February 26, 2002) the County entered into a sanitary operation agreement with ETC of Georgia, Inc. (the Contractor) (assigned to Waste Connections, Inc.). The Agreement provides, among other things, that the Contractor will manage, operate, and maintain the Polk County Sanitary Landfill located at 316 Grady Road.

The Contractor is responsible for all closure/post-closure costs as mandated by federal and state authorities. A trust agreement requires that the Contractor make monthly payments to provide sufficient funds for the estimated costs. The Contractor paid the County the sum of one million and 00/100 ($1,000,000.00) dollars as an origination fee. Polk County will be charged a tipping fee of fourteen and 50/100 ($14.50) dollars per ton subject to consumer price index (CPI) increases beginning on the third (3rd) anniversary of the agreement. The County will also receive a “host” fee of four and 00/100 ($4.00) dollars per ton on tonnage up to 1,000 tons per day and two and 00/100 ($2.00) for all tonnage in excess of 1,000 tons per day up to and including 4,000

tons per day. If the cap of 4,000 tons per day is exceeded then the host fee will revert to four and 00/100 ($4.00) dollars per ton, on all garbage generated and collected outside of the geographical boundary of Polk County. The Contractor has guaranteed an annual amount of five hundred twenty thousand and 00/100 ($520,000.00) under this section. The Contractor will make an annual charitable donation of ten thousand ($10,000.00) dollars to the County for purposes of solid waste and recycling education in Polk County. Certain irrevocable bank letters of credit have been made a part of this agreement.

3-H Operating Leases

The government is committed under various leases for machinery and equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures and outstanding obligations for the year were not significant.

3-I Long-Term Debt

Installment Contract Obligation - On September 16, 2011, the County entered in an installment purchase agreement with Delage Landen Financial Services, Inc., to acquire a Savin multi-purpose copier.

The following is a summary of the County's outstanding installment contractual obligation with the lessor:

Purpose	Interest Rate (%)	Interest Date	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding
Copier	13.1	Monthly	9/16/10	9/16/14	$ 7,426	$ 6,835	$ 591

Annual debt service requirements to amortize the installment obligation outstanding, as of June 30, 2014 follows:

Year	Principal	Interest	Total
2015	591	13	604
Total	**$ 591**	**$ 13**	**$ 604**

General Government

Changes in Long-term Debt - Changes in the County’s long-term obligations consisted of the following for the year ended June 30, 2014:

Governmental Activities	Outstanding 7/1/2013	Additions	Reductions	Outstanding 6/30/2014	Amounts Due in One Year
Installment contracts	$ 2,766	$ -	$ 2,175	$ 591	$ 591
Compensated absences	789,964	375,096	393,494	771,566	425,000
Total Governmental Activities	**$ 792,730**	**$ 375,096**	**$ 395,669**	**$ 772,157**	**$ 425,591**
Business-type Activities:					
Landfill closure and post-closure care costs	$ 924,163	$ -	$ 38,349	$ 885,814	$ -
Total Business-type Activities	**$ 924,163**	**$ -**	**$ 38,349**	**$ 885,814**	**$ -**
Discretely Presented Component Units					
Compensated absences	**$ 31,029**	**$ 35,597**	**$ 31,029**	**$ 35,597**	**$ -**

The compensated absences liability will be paid from the general fund and the E-911 special revenue fund. The capital lease obligations and installment contracts will be paid from the general fund and the 2003 SPLOST capital project fund.

The landfill closure and post-closure care costs and the business-type activity notes payable will be paid from the solid waste fund and the general fund.

3-J Short-Term Tax Anticipation Notes

No TAN borrowings in FY 2014.

3-K Pensions

Defined Contribution Plan

The County maintains a single employer sponsored money purchase retirement plan covering all full time employee hired after January 1, 2005. The ACCG 401(a) Deferred Contribution Plan for Employees of Polk County (the Plan) is a defined contribution plan established by the Board of Commissioners on February 1, 2005. A defined contribution plan provides retirement benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions and forfeitures of other participant's benefits that may be allocated to such participant's account. As established by resolution of the Board of Commissioners, all employees who have been employed for one year are eligible to participate in the plan. Participants are fully vested after five years of service. There is partial vesting prior to the five year anniversary. A participant that leaves the employment of the County is entitled to their account balance, if vesting requirements are satisfied. The plan does not provide for participant contributions that are treated as employer pick-up contributions under Code Section 414(h). The Plan does not allow employee after-tax contributions. The County makes no basic contributions to the Plan. Investment options are selected by each Plan participant. Plan members do not make contributions to the plan, except as described below.

As part of the Plan, Polk County adopted a funding plan feature that gives certain 401(K) aspects to the defined contribution plan. Under the provision, the County will match contributions made by an employee to the County's Section 457 deferred compensation plan on a 1 for 2 basis up to a maximum contribution by the County of 3%. Therefore, an employee who contributes 6% to the 457 deferred compensation plan will receive an additional 3% contribution to this pension plan.

The County's contributions were calculated using the formula detailed above. Employees contributed $38,326 and the County made the required percent matching contributions of $15,056.

Defined Benefit Pension Plan

Plan Description - The County participates in the Association County Commissioners of Georgia ("ACCG") Third Restated Defined Benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The plan is administrated by GEB Corp. The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. 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 specific benefit provisions of the County's plan, as provided by Section 19.02 of the ACCG Plan document, were established by an adoption agreement executed by the Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met.

All full-time eligible employees participate in the ACCG Plan ("Plan") after completing three years of service. Benefits are fully vested after five years of service.

Participants become eligible to retire at the later of the date: 1) participant attains sixty-five years of age or, 2) the third anniversary of the first day of the Plan Year in which the Participant commenced participation in the Plan; 3) all participants are eligible for Normal retirement at age 70 even if they have not completed three years of Plan participation. Upon reaching normal retirement age, as defined above, participants are entitled to a monthly pension of 2% of average annual compensation multiplied by each year of credited service. Average annual compensation is the highest average of the Participant's compensation over three consecutive plan years during the ten plan years preceding the Participant's date of retirement or other termination. The Plan provides benefits in the event of death or disability. The Plan also provides for Early Retirement subject to certain early retirement reduction factors. If the participant has 30 years of service with the County or another adopting employer (at least 25 years must be with the county), there will not be an early retirement reduction in benefits.
Complete financial statements of the pension plan trust can be obtained from the plan administrator:

Government Employees Benefits Corporation of Georgia
1100 Circle 75 Parkway, Suite 300
Atlanta, Georgia 30339
Phone: (770) 952-5225

Participant counts as of January 1, 2014, (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

	2014	2013
Retirees and beneficiaries receiving benefits	38	33
Deferred vested (former employees)	137	130
Active employees participating in the Plan	168	164
Disabled in pay status	3	3
Total number of plan participants	**346**	**330**

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 must satisfy the minimum contribution requirement contained in the State of Georgia statutes.

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report.

Annual Pension Cost

The County annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

Derivation of Annual Pension Cost	**2014**	**2013**
Annual Required Contribution	$ 309,266	$ 484,349
Interest on Net Pension Obligation	(16,591)	(16,076)
Amortization of Net Pension Obligation	18,022	17,201
Annual Pension Cost	**$ 310,697**	**$ 485,474**
Derivation of Net Pension Obligation		
Net Pension Obligation - Beginning of Prior Year	$ **(207,433)**	$ **(196,597)**
Annual Pension Cost of Prior Year	485,474	476,762
Actual Contributions to Plan for Prior Year	499,255	487,598
Increase in Net Pension Obligation	(13,781)	(10,836)
Net Pension Obligation - Beginning of Year	**$ (221,214)**	**$ (207,433)**

Summary of Significant Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and incremental changes in the cash value of pre-retirement life insurance policies owned by the trust.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 60% equities and 40% fixed income securities on a cost basis.

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

Contributions

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The Plan does not provide for contributions by plan participants. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans. The annual County contribution meets or exceeds the minimum funding requirements of the Georgia Code. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. The annual County contribution to the Plan is determined using the actuarial basis described in the annual valuation report.

The Georgia Constitution enables the governing authority of the County, the County Commissioner, to establish and amend from time to time, the contribution rates for the County.

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

Measurement Date	(1)* Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/UAAL (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
12/31/2013	$ 12,613,304	$ 12,874,195	98.0%	$ 260,891	$ 5,219,195	5.0%

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Current Valuation Date:	January 1, 2014
Annual Return on Invested Plan Assets	7.50%
Projected Annual Salary Increases	2.0%-4.5% based on age
Expected Annual Inflation	2.50%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Entry Age Normal
Amortization Method	Level Percent of Pay (closed)

Trend Information

Fiscal Year Beginning	Annual Pension Cost(APC)(1)	Actual County Contributions (1)	Percentage of APC Contributed	Net Pension Obligation
1/1/2014	$ 310,697	N/A	N/A	(221,214)
1/1/2013	485,474	499,255	103%	(207,433)
1/1/2012	476,762	487,598	102%	(196,597)
1/1/2011	516,929	527,286	102%	(186,240)
1/1/2010	541,101	561,940	104%	(165,401)
1/1/2009	654,950	705,013	108%	(115,338)

(1) Prior calendar year

Financial Statements for the Year Ended December 31, 2013

1. Statement of Plan Net Assets as of December 31, 2013

Market value of assets	$	13,621,787
Receivable		
Employer contributions		-
Employee contributions		-
Due from Insurance Pool		-
Liabilities		
Administrative expenses		27,486
Accrued investment and auditing fee		12,682
Insurance Premium Payable		-
Net assets held in trust for pension benefits	**$**	**13,581,619**

2. Statement of Changes in Plan Net Assets

Additions		
Asset transfer	$	-
Employee contributions		-
Employer contributions		499,255
Net investment income (loss)		2,049,454
Recovery of life insurance premiums		-
Total additions (deductions)		**2,548,709**
Deductions		
Benefit payments		347,985
Administrative expenses		28,364
Post-retirement death benefit expense		-
Pre-retirement death benefit expense		13,912
Total deductions		**390,261**
Net increase (decrease) in plan assets		**2,158,448**
Net assets held in trust for pension benefits:		
Beginning of year		**11,463,339**
End of year	**$**	**13,621,787**

Change in Pension Plan – At June 30, 2005 the County converted its general employee retirement plan to the Association County Commissioners of Georgia ("ACCG") Defined Benefit Plan, an agent multiple pension plan. Retirees currently receiving benefits received an annuity from Principle Insurance (the previous administrator) based on the contractual retirement obligation. The remaining funds were transferred to the Association County Commissioners of Georgia ("ACCG") Defined Benefit Plan.

3-L Other Post employment Benefits (OPEB)

The County administers a single-employer defined benefit health care plan, the "The Healthcare Plan of Polk County."

Plan Description and Funding Policy – The County Board of Commissioners authorizes participation in the OPEB and sets the contribution rates and benefits. Coverage under the plan includes medical and prescription drug for retirees and dependents

Benefits - Retirees who meet the following requirement are eligible to continue health insurance coverage:

> The retiree has twenty (20) or more years of full time service and is at least sixty (60) years of age. Employees attaining Full Retirement Status, and only such employees, shall have the right to carry and retain insurance coverage at employee-portion rates into retirement

Retirees may stay on the plan for their lifetime by making the required contribution.

Dependents may participate for the lifetime of the retiree as long as the retiree pays the required contribution for dependent coverage. As of 1/1/2010, the contributions are as follows based on the 3 health plans:

Plan Name	Employee Only Contribution
POS 5002 SX	$63.31 per month
HMO 6502 SX (LOW)	$36.88 per month
HMO 6200 SX (HIGH)	$49.14 per month

Annual OPEB Cost and Net OPEB Obligation – The following table includes the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the County" net OPEB obligation: (2014 amounts estimated by management)

	June 30, 2014	June 30, 2013
Normal cost	$ 711,728	$ 711,728
Amortization of unfunded actuarial accrued liability (UAAL)	356,218	356,218
Required contribution (ARC)	1,067,946	1,067,946
Interest on OPEB obligation	174,089	134,159
Adjustment to ARC	(165,385)	(128,164)
Annual OPEB cost	1,076,650	1,073,941
Contributions made	(69,985)	(75,681)
Increase in net OPEB obligation	1,006,665	998,260
Net OPEB obligation, beginning of year	4,352,244	3,353,984
Net OPEB obligation, end of year	$ 5,358,909	$ 4,352,244

Three Year Trend Information

Fiscal Year	Annual OPEB Cost	Actual County Contributions	Percentage of OPEB Contributed	Net OPEB Obligation
6/30/13	998,260	-	0%	$ 4,352,244
6/30/12	$ 886,250	$ -	0%	3,353,984
6/30/11	1,039,395	-	0%	2,467,734

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

Value of Assets	Accrued Liability (AAL)	Ratio (1)/(2)	AAL/uaal (2)-(1)	Covered Payroll	Covered Payroll
$ -	$ 9,322,046	0.0%	$ 9,322,046	$ 7,044,087	134.3%

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The County's actuarial valuation information is as follows:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Pay, Open
Amortization Period	30 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment rate of return	4%
Healthcare Cost Trend Rate	8.50% to 5%
Year of Ultimate Trend Rate	20.18
Inflation Rate	3%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Other Retirement Plans - In addition to the general group pension plan, the following pensions are in effect but are not under the direct control of the County:

Agricultural Extension Supplemental Teachers Retirement Fund
Probate Judges' Retirement Fund of Georgia
Clerk of Superior Court Retirement Fund
Sheriffs' Retirement Fund/Peace Officers' Annuity and Benefit Fund

These plans require that certain preferential payments be made to various trustees as prescribed by state statutes.

Deferred Compensation Plan - The County offers its employees an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all County employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the participant or other beneficiary) solely the property and rights of a trust created by the County for the benefit of the participants.

3-M Property Held for Leasing

The County leases hangars at the airport on a monthly basis. However, the lease agreements are not long term and projections for future rental amounts are uncertain. Therefore, a schedule of minimum future rental is not presented. In 2014, the County received $130,572 from hangar rentals.

Property held for leasing consists of land and building leased under operating leases to a commercial enterprise and agencies of the State of Georgia. Lease terms vary from one to ten years and require, in some cases, the construction of leasehold improvements that will be contributed to the County at lease termination

The following is a schedule by year of minimum future rentals on cancelable operating leases as of June 30, 2014

Year Ending June 30,	DFACS Building
2015	239,790
2016	239,790
2017	239,790
2018	239,790
2019	239,790
2020-2026	1,678,530
Total	**$ 2,877,480**

3-N Net Position

Net positions on the government-wide statement of net position as of June 30, 2014 are as follows:

	Governmental Activities	Business Type Activities
Investments in capital assets		
Cost of capital assets	$ 74,618,974	$ 5,272,331
Less accumulated depreciation	42,211,424	5,088,920
Book value	32,407,550	183,411
Less capital related debt	591	-
Investments in capital assets, net of related debt	32,406,959	183,411
Restricted assets	5,135,122	-
Unrestricted assets	2,388,893	6,064,436
Net position	**$ 39,930,974**	**$ 6,247,847**

Note 4 - Other Notes

4-A Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The State Constitution provides that the County (a political subdivision) may be immune from liability for most forms of bodily injury and property damage arising out of its operations, if such losses are not insured. It is the policy of the County to utilize immunity as a legal defense against liability claims whenever the risk of loss is not insured and immunity may be asserted.

The County previously offered to all eligible employees' medical insurance coverage through a self-insurance plan. The self-insured plan was administered by an outside agency which reported the claims costs to the County. The County had reinsurance coverage for excess claims. The County paid for all claims up to the maximum claims liability, and the insurer pays for all claims in excess of the maximum claims liability. The County also has individual stop-loss protection against large claims. The contract was based on a 12/15 run out formula. The insurer agreement also has a maximum contractual obligation in the event of termination for the incurred but not reported claims. Effective July 1, 2003, the County obtained commercial insurance for the medical claims of employees and is no longer self-insured for those purposes.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the County has elected to participate with several other Georgia counties in the risk management program known as Association County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund ("ACCG-GSIWCF"). ACCG-GSIWCF is a public entity risk pool operating as a common risk management and insurance program. The effective date of membership was January 1, 1993. The liability of the fund to the employees of the County is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

The fund is to defend, in the name of and on behalf of the County, any suits or other proceedings which may at any time be instituted against the County on account of injuries or death within the parameters of the workers' compensation law of the State of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding damages or compensation therefore, although such suits, other proceedings, allegations or

demands are wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against the County in any legal proceeding defended by the County, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense of claims and expenses for each occurrence of workers' compensation injuries. Excess insurance is purchased by the ACCG-GSIWCF to protect the fund from catastrophic losses and for any unexpected frequency of smaller claims.

The County has elected to participate with several other Georgia counties in the risk management program known as ACCG-Interlocal Risk Management Agency ("ACCG-IRMA"). ACCG-IRMA is a public entity risk pool operating as a common risk management and insurance program, whereby the members join together to provide a source of coverage for their property, automobile, general liability, law enforcement liability, public officials' liability, crime, statutory bond and boiler and machinery exposures. The fund is owned by its members and managed by a seven member Board of Trustees elected by the ACCG Board of Managers from member counties. The Fund is operated under the authority of O.C.G.A. 36-85-20 et seq. ACCG-IRMA estimates the anticipated losses for its members and self-funds a portion of that exposure. The funds which are allocated for anticipated losses are invested until such time that they are needed to pay claims. ACCG-IRMA purchases appropriate re-insurance to provide for catastrophic losses and for an unanticipated frequency of smaller claims. Nothing contained in the ACGG-IRMA intergovernmental contract shall be deemed to create any relationship of surety, indemnification, or responsibility between an individual Member for the debts or claims against any other individual Member. In accordance with Sections 36-85-9 and 36-85-15 of the Official Code of Georgia Annotated, each Member shall be jointly and severally liable for all legal obligations of any fund and assessments may be required to meet any financial deficiencies of ACCG-IRMA or of any Fund. The effective date of membership was February 29, 1996.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents that could require the fund to pay any type of loss. The County is also to allow all the pool's agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claims made against the County within the scope of loss protection furnished by the funds.

The County previously accounted for the financial operations of its self-insurance medical program in an internal service fund. A liability for claims has been reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. A third party administrator is employed to review and process claims for the self-insurance medical program. Liabilities that are expected to be paid from expendable available financial resources are recorded as a current payable of the internal service fund. No claims were payable from the fund at year end. All claims were payable for the fully insured plan.

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

4-B Contingent Liabilities

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

The County was a defendant in several lawsuits at June 30, 2014. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

4-C Jointly Governed Organizations

The County assists with the operations of the Polk County Library System through annual funding requests. The Polk County Library System is a member of the Sara Hightower Regional Library System (Library).

The Library Board consists of sixteen members, eleven members appointed by the Floyd County Library Board, and five members appointed by the Polk County Library Board. The Board is without authority to determine the amount of its funding, except by submission of budget requests to local governmental units from which that library receives support and to the State of Georgia for state and federal funding. Membership in the library and participation in library services is at the discretion of each participating governmental agency. The Board has the power to designate management, the power to retain unreserved fund balances of local funds for continued operations and is the lowest level of oversight responsibility for the Library's operations. No single governmental agency has oversight responsibility or managerial control over the Library nor is any of the participating governments responsible for funding a deficit of the Library. Accordingly, the Library's financial statements are not included in the financial statements of any other reporting entity.

Complete financial statements of the Library System can be obtained directly from their administrative office. Address for the administrative office is as follows:

Sara Hightower Regional Library
245 East Avenue
Cedartown, Georgia 30125

4-D Joint Ventures

Polk County, in conjunction with cities and counties in the ten (15) county Northwest Georgia area are members of the Northwest Georgia Regional Commission (RC). Membership in the RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989 (“the Act”)) provides for the organizational structure of the RC's. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The County paid $27,433 in fiscal year 2014. The RC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a County. The Act defines RC's as "public agencies" and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. (O.C.G.A. 50-8-39)

A copy of the RDC's financial statements can be obtained from:

Northeast Georgia Regional Commission
(Formerly) Coosa Valley Regional Development Center
1 Jackson Hill Drive
P. O. Box 1793
Rome Georgia 30162
Phone: (706) 295-6485 Fax (706) 295-6665

4-E Landfill Operations

On December 4, 2001, (finalized February 26, 2002) the County entered into a sanitary operation agreement with ETC of Georgia, Inc. (the Contractor). The agreement provides, among other things, that the Contractor will manage, operate, and maintain the Polk County Sanitary Landfill located at 316 Grady Road. The Contractor is responsible for all closure/post-closure costs as mandated by federal and state authorities. A trust agreement requires that the Contractor make monthly payments to provide sufficient funds for the estimated costs of postclosure. The Contractor paid the County $1,000,000 as an origination fee. The County was charged an initial tipping fee of fourteen and 50/100 ($14.50) dollars per ton subject to consumer price index (CPI) increases beginning on the third (3rd) anniversary of the agreement. The current rate is 17.04 per ton, which does not include a variable oil/energy surcharge.

The County also receives a "host" fee of four dollars per ton on the first 1,000 tons per day and two dollars per ton on the excess for all garbage generated and collected outside of the geographical boundary of the County. The Contractor has guaranteed an annual amount of $520,000 under this section. The Contractor is required to make an annual charitable donation of $10,000 to the County for purposes of solid waste and recycling education in the County. Certain irrevocable bank letters of credit have been made a part of this agreement for closure costs.

4-F EMS Agreement

Effective July 1, 2009, Polk County entered into a partnership agreement with Redmond Regional Medical Center ("Redmond") whereby Redmond began operating Advanced Life Support Emergency Medical Services for all of Polk County under Polk County's name and state license, and, as part of that contractual agreement, assets of Polk Emergency Medical Service were transferred to Redmond. Such assets included four equipped ambulances, and in exchange for those assets Redmond paid $269,400 to Polk County and agreed to make its best effort to collect the outstanding accounts receivables due at June 30, 2009 and remit the funds to the County.

***5*-F Deferred Outflows and Inflows of Resources**

		Unavailable Revenue		Unearned Revenue		
GDOT - LMIP (Roads)	$	-	$	531,456		
Grants		-		17,468		
Taxes Receivable		933,992		-		
Rents		-		4,813		
Other		21,869		3,100		
	$	955,861	$	556,837		

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REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	$ 14,328,000	$ 15,164,200	$ 15,242,785	$ 78,585
Licenses and permits	75,400	82,000	80,393	(1,607)
Intergovernmental	317,000	333,000	302,528	(30,472)
Charges for services	850,900	1,019,500	940,677	(78,823)
Courts and law enforcement	902,550	988,000	979,340	(8,660)
Investment earnings and rents	410,000	374,000	374,545	545
Miscellaneous	39,572	158,300	267,843	109,543
Total Revenues	16,923,422	18,119,000	18,188,111	69,111
Expenditures				
Current:				
General government	3,718,566	3,236,864	3,152,626	84,238
Judicial	2,451,726	2,534,100	2,471,202	62,898
Public safety	7,948,653	7,954,935	7,689,722	265,213
Public works	2,419,754	2,312,000	2,240,395	71,605
Health and welfare	334,663	334,663	334,663	-
Culture and recreation	317,919	322,899	322,899	-
Planning and community development	850,296	930,943	919,924	11,019
Sanitation	563,349	507,600	504,299	3,301
Debt Service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	18,604,926	18,134,004	17,635,730	498,274
(Deficiency) of Revenues (Under) Expenditures	(1,681,504)	(15,004)	552,381	567,385
Other Financing Sources (Uses)				
Capital leases	-	-	-	-
Sale of capital assets	40,000	31,000	31,133	133
Transfers in	990,000	250,000	60,000	(190,000)
Transfers out	(365,996)	(265,996)	(265,996)	-
Total Other Financing Sources (Uses)	664,004	15,004	(174,863)	(189,867)
Net Change in Fund Balance	$ (1,017,500)	$ -	377,518	$ 377,518
Fund Balances Beginning of Year			7,529,355	
Fund Balances End of Year			$ 7,906,873	

Polk County, Georgia
Emergency Telephone Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Charges for services	$ 557,900	$ 660,000	$ 664,288	$ 4,288	$ 593,732
Miscellaneous	3,012	500	181	(319)	25,675
Total Revenues	560,912	660,500	664,469	3,969	619,407
Expenditures					
Current					
Public safety	926,908	926,496	891,338	35,158	901,225
Total Expenditures	926,908	926,496	891,338	35,158	901,225
Excess (Deficiency) of Revenues Over (Under) Expenditures	(365,996)	(265,996)	(226,869)	39,127	(281,818)
Other Financing Sources (Uses)					
Transfers in	365,996	265,996	265,996	-	314,907
Net Change in Fund Balances	$ -	$ -	39,127	$ 39,127	33,089
Fund Balances (Deficits) Beginning of Year			(595,470)		(628,559)
Fund Balances (Deficits) End of Year			$ (556,343)		$ (595,470)

Polk County, Georgia
Schedule of Funding Progress
June 30, 2014

Employee Pension Trust Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets		(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL As a Percentage of Covered payroll (2)-(1)/5
12-31-05	$ 5,391,527		$ 6,545,677	$ 1,154,150	82.4%	$ 6,273,310	18.4%
12-31-06	6,274,118		7,067,932	793,814	88.8%	6,509,500	12.2%
12-31-07	7,472,378		7,946,726	474,348	94.0%	6,161,927	7.7%
12-31-08	7,758,090	*	8,887,426	1,129,336	87.3%	5,480,862	20.6%
12-31-09	8,781,918	*	10,372,460	1,590,542	84.7%	6,038,402	26.3%
12-31-10	9,696,284	*	10,588,084	891,800	91.6%	5,216,631	17.1%
12-31-11	10,499,681	*	11,236,340	736,659	93.4%	5,383,922	13.7%
12-31-12	11,218,132	*	12,015,084	796,952	93.4%	5,414,168	14.7%
12-31-13	12,613,304	*	12,874,195	260,891	98.0%	5,219,195	5.0%

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally the greater this percentage, the stronger the Plan.

Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

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

OPEB

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL As a Percentage of Covered payroll (2)-(1)/5
1/1/2009	$ -	$ 6,048,910	$ 6,048,910	0.0%	$ 6,852,049	88.30%
1/1/2011	-	8,724,354	8,724,354	0.0%	7,419,833	117.60%
1/1/2013	-	9,322,046	9,322,046	0.0%	7,044,087	132.34%

Polk County, Georgia
Employee Pension Trust Fund
Schedule of Employer Contributions
June 30, 2014

Fiscal Year Beginning January 1	Annual Required Contribution	Actual Contribution	Employer Contributions as a Percent Covered
2008	$ 519,613	$ 535,621	103%
2009	654,325	705,013	108%
2010	541,101	561,940	104%
2011	516,929	527,286	102%
2012	476,762	487,598	102%
2013	485,474	N/A	N/A

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Polk County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 7,557,520	$ 7,099,560
Receivables		
Accounts	138,291	91,796
Taxes	1,002,914	1,007,718
Intergovernmental	1,067,250	1,010,520
Interest	500	98
Interfund	464	422,000
Advances	604,186	602,136
Inventory	32,843	48,581
Prepaid items	447,824	447,688
Total Assets	$ 10,851,792	$ 10,730,097
Liabilities and Fund Balances		
Liabilities		
Accounts and contracts payable	$ 828,751	$ 1,114,773
Accrued expenditures	594,824	642,040
Interfund payable	15,930	6,613
Intergovernmental payable	5,961	50,423
Total Liabilities	1,445,466	1,813,849
Deferred Inflows of Resources	1,506,598	1,386,893
Fund Balance		
Nonspendable:		
Prepaid items	447,824	447,688
Inventory	32,843	48,581
Advances to other funds	604,186	602,136
Unassigned	6,814,875	6,430,950
Total Fund Balances	7,899,728	7,529,355
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 10,851,792	$ 10,730,097

Polk County, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2014 and 2013

	2014	2013
Revenues		
Taxes	$ 15,242,785	$ 15,054,479
Licenses and permits	80,393	82,291
Intergovernmental	302,528	303,253
Charges for services	940,677	823,211
Courts and law enforcement	979,340	923,544
Investment earnings and rents	374,545	402,387
Other	267,843	156,765
Total Revenues	18,188,111	17,745,930
Expenditures		
Current		
General government	3,152,626	3,265,154
Judicial	2,471,202	2,420,612
Public safety	7,689,722	7,911,449
Public works	2,240,395	2,243,778
Planning/Community development	919,924	779,115
Health and welfare	334,663	309,663
Culture and recreation	322,899	317,919
Sanitation	504,299	532,553
Debt Service	7,145	8,307
Total Expenditures	17,642,875	17,788,550
(Deficiency) of Revenues (Under) Expenditures	545,236	(42,620)
Other Financing Sources (Uses)		
Sale of capital assets	31,133	15,600
Transfers in	60,000	460,000
Transfers out	(265,996)	(314,907)
Total Other Financing Sources (Uses)	(174,863)	160,693
Net Change in Fund Balances	370,373	118,073
Fund Balances Beginning of Year - Restated	7,529,355	7,411,282
Fund Balances End of Year	$ 7,899,728	$ 7,529,355

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes					
General property tax	$ 8,980,000	$ 9,289,700	$ 9,332,973	$ 43,273	$ 9,310,664
Auto ad valorem and mobile home tax	942,000	1,394,000	1,473,221	79,221	1,258,441
Cost, penalties and interest	280,000	313,000	236,089	(76,911)	258,452
Intangible tax	75,000	96,000	96,382	382	105,660
Real estate transfer tax	15,000	28,000	28,418	418	15,702
Railroad equipment tax	26,000	24,000	24,250	250	24,019
Alcoholic beverage tax	110,000	120,000	120,133	133	112,959
Business license and franchise fees	180,000	202,500	203,171	671	187,132
Insurance premium tax	1,120,000	1,215,000	1,246,193	31,193	1,189,650
Local option sales tax	2,600,000	2,482,000	2,481,955	(45)	2,591,800
Total Taxes	14,328,000	15,164,200	15,242,785	78,585	15,054,479
Licenses and Permits	75,400	82,000	80,393	(1,607)	82,291
Intergovernmental					
Federal government	160,000	240,000	1,080	(238,920)	1,940
State of Georgia	122,000	22,000	268,369	246,369	210,560
Local governments	35,000	71,000	33,079	(37,921)	90,753
Total Intergovernmental	317,000	333,000	302,528	(30,472)	303,253
Charges for Services					
Tax Commissioner	423,000	499,000	499,219	219	440,057
Emergency medical service	-	-	384	384	10,119
Animal control	8,000	11,500	11,733	233	11,491
Airport fuel sales	49,900	200,000	191,375	(8,625)	
Prisoner housing fees	370,000	309,000	237,966	(71,034)	361,544
Total Charges for Services	850,900	1,019,500	940,677	(78,823)	823,211
Courts and Law Enforcement					
Clerk of Superior Court	275,000	282,000	282,259	259	279,642
Probate Court	393,750	434,000	434,099	99	393,302
Juvenile Court	1,800	1,000	1,093	93	2,392
Magistrate Court	190,000	199,000	199,057	57	205,872
Probation costs - adult	42,000	72,000	62,832	(9,168)	42,336
Total Courts and Law Enforcement	902,550	988,000	979,340	(8,660)	923,544
Investment Earnings and Rents	410,000	374,000	374,545	545	402,387
Miscellaneous	39,572	158,300	267,843	109,543	156,765
Total Revenues	16,923,422	18,119,000	18,188,111	69,111	17,745,930

(continued)

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

(continued)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Expenditures					
Current					
General Government					
Administration	$ 1,646,983	1,159,814	$ 1,117,285	$ 42,529	$ 983,470
Information system	65,415	65,500	62,132	3,368	179,639
Tax Assessor	553,583	490,000	471,867	18,133	511,505
Tax Commissioner	503,058	505,000	488,993	16,007	478,376
Public buildings	797,500	892,000	891,416	584	861,516
General appropriations	14,500	15,050	14,711	339	16,738
Election and registrar	137,527	109,500	106,222	3,278	233,910
Total General Government	3,718,566	3,236,864	3,152,626	84,238	3,265,154
Judicial					
Superior Court	265,315	397,500	389,949	7,551	314,966
District Attorney	172,298	176,500	170,706	5,794	149,452
Clerk of Superior Court	635,582	592,500	574,033	18,467	619,296
Magistrate Court	401,504	391,600	379,553	12,047	377,956
Probate Court	325,528	365,500	356,360	9,140	331,290
Juvenile Court	284,022	263,500	258,778	4,722	284,166
Probation	79,021	77,500	73,400	4,100	75,411
Public Defender	242,861	227,500	226,758	742	228,584
Coroner	45,595	42,000	41,665	335	39,491
Total Judicial	2,451,726	2,534,100	2,471,202	62,898	2,420,612
Public safety					
County Police	2,404,170	2,466,500	2,373,612	92,888	2,306,669
Drug Task Force	259,185	223,500	215,625	7,875	267,921
Sheriff	4,132,312	4,240,300	4,094,834	145,466	4,352,194
Jail	468,260	391,000	390,672	328	352,507
Emergency Management Agency	125,218	118,400	113,861	4,539	138,695
Fire services	251,698	223,200	221,342	1,858	203,318
Animal control	293,775	278,000	266,521	11,479	276,110
Forestry Service	14,035	14,035	13,255	780	14,035
Total Public Safety	7,948,653	7,954,935	7,689,722	265,213	7,911,449
Public Works	2,419,754	2,312,000	2,240,395	71,605	2,243,778
Planning/Community Development					
Planning and zoning	49,270	49,000	45,833	3,167	45,825
Permits and inspections	173,459	160,000	153,048	6,952	164,427
Development authority	257,773	257,773	257,773	-	257,773
Keep Polk Beautiful	14,070	14,070	14,070	-	14,070
Northwest Georgia Regional Commission	29,500	27,300	27,269	31	27,433
Cooperative Extension Service	58,524	56,800	56,340	460	54,671
Airport	267,700	366,000	365,591	409	214,916
Total Planning/Community Development	850,296	930,943	919,924	11,019	779,115

(continued)

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

(continued)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Expenditures					
Current					
Sanitation	$ 563,349	$ 507,600	$ 504,299	$ 3,301	$ 532,553
Culture and Recreation					
Library	117,919	117,919	117,919	-	117,919
Recreation	200,000	204,980	204,980	-	200,000
Total Culture and Recreation	317,919	322,899	322,899	-	317,919
Health and Welfare					
General Health	222,955	222,955	222,955	-	197,955
Mental health	40,000	40,000	40,000	-	40,000
Family and Children Services	71,708	71,708	71,708	-	71,708
Total Health and Welfare	334,663	334,663	334,663	-	309,663
Debt Service	-	-	7,145	(7,145)	8307
Total Expenditures	18,604,926	18,134,004	17,642,875	491,129	17,788,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,681,504)	(15,004)	545,236	560,240	(42,620)
Other Financing Sources (Uses)					
Sale of capital assets	40,000	31,000	31,133	133	15,600
Transfers in	990,000	250,000	60,000	(190,000)	460,000
Transfers out	(365,996)	(265,996)	(265,996)	-	(314,907)
Total Other Financing Sources (Uses)	664,004	15,004	(174,863)	(189,867)	160,693
Net Change in Fund Balances	$ (1,017,500)	$ -	370,373	$ 370,373	118,073
Fund Balances Beginning of Year			7,529,355		7,411,282
Fund Balances End of Year			$ 7,899,728		$ 7,529,355

Polk County, Georgia
Combining Balance Sheet - By Fund Type
Nonmajor Governmental Funds
June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 600,266	$ 3,176	$ 603,442
Receivables:			
Intergovernmental	5,205	1,882	7,087
Interfund	16,942	-	16,942
Total Assets	$ 622,413	$ 5,058	$ 627,471
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 3,453	$ -	$ 3,453
Interfund payable	1,476	-	1,476
Total Liabilities	4,929	-	4,929
Fund balances			
Restricted for			
Capital projects	-	5,058	5,058
Program purposes	612,462	-	612,462
Assigned	5,022	-	5,022
Total Fund Balances	617,484	5,058	622,542
Total Liabilities and Fund Balances	$ 622,413	$ 5,058	$ 627,471

Polk County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - by Fund Type

Nonmajor Governmental Funds

For the Year Ended June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Charges for services	$ 19,018	$ -	$ 19,018
Fines and forfeitures	204,450	-	204,450
Intergovernmental	-	-	-
Investment earnings	317	-	317
Miscellaneous	49,368	-	49,368
Total Revenues	273,153	-	273,153
Expenditures			
Current			
Judicial	77,419	-	77,419
Public safety	221,017	-	221,017
Intergovernmental	-	-	-
Total Expenditures	298,436	-	298,436
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,283)	-	(25,283)
Other Financing Sources (Uses)			
Transfers in	10,126	-	10,126
Transfers out	(70,126)	-	(70,126)
Total Other Financing Sources (Uses)	(60,000)	-	(60,000)
Net Change in Fund Balances	(85,283)	-	(85,283)
Fund Balances Beginning of Year	702,767	5,058	707,825
Fund Balances End of Year	$ 617,484	$ 5,058	$ 622,542

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes.

Law Library – To account for fees received from Superior and Probate Courts and used to finance the Law Library's operation and purchase of reference materials.

Crime Victim Assistance Program Fund - To account for grant monies received for the purpose of providing counseling services to victims of crime and add-on fine surcharges as required by the O.C.G.A.

Drug Abuse Treatment and Education Fund - To account for monies collected under Georgia law related to additional penalties on controlled substances offenses. Such monies are restricted for drug abuse treatment and education programs relating to controlled substances and marijuana.

Law Enforcement Confiscated Monies - To account for monies confiscated under Federal and Georgia law by the Polk County Police and Polk County Sheriff's office related to controlled substances offenses. Such monies are restricted to defray the cost of complex investigations and to purchase equipment relating to said investigations.

County Jail Fund - To account for monies collected as a result of a 10% penalty on certain court cases. These funds are legally restricted for the construction, operation, and staffing of County detention facilities.

District Attorney Fund – To account for monies forfeited under O.C.G.A. 16-13-49. These funds are held to provide payment for any and all necessary expenses for the operation of the District Attorney's Office.

Juvenile Probation Services Fund - To account for monies collected under Georgia law for probational services to juvenile offenders. Such monies are restricted to providing treatment to juvenile offenders.

Clerk of Superior Court Special Fund - To account for monies collected under a state wide central index for UCC filings, real estate and personal property records, maintaining the central data base of notaries and administering a statewide database on civil case filings.

Sheriff-other Programs – To account for monies received from the general public for miscellaneous projects.

Polk County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	Law Library	Crime Victim Assistance	Drug Abuse Treatment and Education	Law Enforcement Confiscated Monies County Police	Law Enforcement Confiscated Monies Sheriff	County Jail	District Attorney	Juvenile Probation	Clerk of Superior Court Special Fee	Sheriff Other Programs	Total Nonmajor Special Revenue Funds
Assets											
Cash and cash equivalents	$ 65,985	$ 554	$ 7,188	$ 67,353	$ 6,119	$ 195,656	$ 78,696	$ 100,115	$ 73,578	$ 5,022	$ 600,266
Receivables											
Intergovernmental	-	1,838	1,684	-	-	-	-	-	1,683	-	5,205
Interfund	1,445	1,658	1,003	7,349	-	4,430	1,012	45	-	-	16,942
Total Assets	$ 67,430	$ 4,050	$ 9,875	$ 74,702	$ 6,119	$ 200,086	$ 79,708	$ 100,160	$ 75,261	$ 5,022	$ 622,413
Liabilities and Fund Balances											
Liabilities											
Accounts payable	$ 415	$ 3,038	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,453
Interfund payable	-	1,012		-	-	-	-	464	-	-	1,476
Total liabilities	415	4,050	-	-	-	-	-	464	-	-	4,929
Fund Balances											
Restricted for:											
Public Safety	-	-	-	-	-	200,086	79,708	-	-	-	279,794
Program purposes	67,015	-	9,875	74,702	6,119	-	-	99,696	75,261	-	332,668
Assigned	-	-	-	-	-	-	-	-	-	5,022	5,022
Total Fund Balances	67,015	-	9,875	74,702	6,119	200,086	79,708	99,696	75,261	5,022	617,484
Total Liabilities and Fund Balances	$ 67,430	$ 4,050	$ 9,875	$ 74,702	$ 6,119	$ 200,086	$ 79,708	$ 100,160	$ 75,261	$ 5,022	$ 622,413

Polk County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

June 30, 2014

	Law Library	Crime Victim Assistance	Drug Abuse Treatment and Education	Law Enforcement Confiscated Monies County Police	Law Enforcement Confiscated Monies Sheriff	County Jail	District Attorney	Juvenile Probation	Clerk of Superior Court Special Fee	Sheriff Other Programs	Total Nonmajor Special Revenue Funds
Revenues											
Charges for services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,018	$ -	$ 19,018
Fines and forfeitures	19,175	41,004	40,643	25,395	145	51,390	25,513	1,185	-	-	204,450
Investment earnings and rents	76	-	7	54	3	126	-	51	-	-	317
Miscellaneous	-	-	-	-	-	-	-	-	-	49,368	49,368
Total Revenues	19,251	41,004	40,650	25,449	148	51,516	25,513	1,236	19,018	49,368	273,153
Expenditures											
Current:											
Judicial	10,042	-	-	-	-	-	47,859	4,966	14,552	-	77,419
Public safety	-	30,878	48,683	77,114	1,378	15,020	-	-	-	47,944	221,017
Total Expenditures	10,042	30,878	48,683	77,114	1,378	15,020	47,859	4,966	14,552	47,944	298,436
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,209	10,126	(8,033)	(51,665)	(1,230)	36,496	(22,346)	(3,730)	4,466	1,424	(25,283)
Other Financing Sources (Uses)											
Transfers in	-	-	-	-	-	-	10,126	-	-	-	10,126
Transfers out	(20,000)	(10,126)	-	-	-	(40,000)	-	-	-	-	(70,126)
Total Other Financing Sources (Uses)	(20,000)	(10,126)	-	-	-	(40,000)	10,126	-	-	-	(60,000)
Net Change in Fund Balances	(10,791)	-	(8,033)	(51,665)	(1,230)	(3,504)	(12,220)	(3,730)	4,466	1,424	(85,283)
Fund Balances Beginning of Year	77,806	-	17,908	126,367	7,349	203,590	91,928	103,426	70,795	3,598	702,767
Fund Balances End of Year	$ 67,015	$ -	$ 9,875	$ 74,702	$ 6,119	$ 200,086	$ 79,708	$ 99,696	$ 75,261	$ 5,022	$ 617,484

Polk County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 65,985	$ 77,521
Interfund receivable	1,445	1,101
Total Assets	$ 67,430	$ 78,622
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 415	$ 816
Total Liabilities	415	816
Fund Balances		
Restricted	67,015	77,806
		+
Total Liabilities and Fund Balances	$ 67,430	$ 78,622

Polk County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 25	$ 25	$ 19,175	$ 19,150	$ 17,173
Investment earnings	17,600	17,600	76	(17,524)	63
Total Revenues	17,625	17,625	19,251	1,626	17,236
Expenditures					
Current					
Judicial	17,625	17,625	10,042	7,583	8,824
Excess of Revenues Over Expenditures	-	-	9,209	9,209	8,412
Other Financing (Uses)					
Transfers out	-	-	(20,000)	(20,000)	-
Net Change in Fund Balances	-	-	(10,791)	(10,791)	8,412
Fund Balances Beginning of Year	77,806	77,806	77,806	-	69,394
Fund Balances End of Year	$ 77,806	$ 77,806	$ 67,015	$ (10,791)	$ 77,806

Polk County, Georgia
Crime Victim Assistance Fund
Comparative Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 554	$ 4,110
Interfund receivable	1,658	1,334
Intergovernmental receivable	1,838	1,284
Total Assets	$ 4,050	$ 6,728
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 3,038	$ 3,796
Interfund payable	1,012	2,932
Total Liabilities	4,050	6,728
Fund Balances		
Restricted	-	-
Total Fund Balances	-	-
Total Liabilities and Fund Balances	$ 4,050	$ 6,728

Polk County, Georgia
Crime Victim Assistance Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 38,000	$ 41,100	$ 41,004	$ (96)	$ 45,662
Total Revenues	38,000	41,100	41,004	(96)	45,662
Expenditures					
Current					
Public safety	27,800	30,900	30,878	22	34,246
Excess of Revenues Over Expenditures	10,200	10,200	10,126	(74)	11,416
Other Financing (Uses)					
Transfers out	(10,200)	(10,200)	(10,126)	74	(11,416)
Net Change in Fund Balances	-	-	-	-	-
Fund Balances Beginning of Year	-	-	-	-	-
Fund Balances End of Year	$ -	$ -	$ -	$ -	$ -

Polk County, Georgia
Drug Abuse Treatment and Education Fund
Comparative Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 7,188	$ 14,662
Interfund receivable	1,003	2,286
Intergovernmental receivable	1,684	960
	$ 9,875	$ 17,908
Liabilities and Fund Balances		
Liabilities		
Fund Balances		
Restricted	$ 9,875	$ 17,908
Total Liabilities and Fund Balances	$ 9,875	$ 17,908

Polk County, Georgia
Drug Abuse Treatment and Education Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 18,010	$ 40,500	$ 40,643	$ 143	$ 41,204
Investment earnings	-	-	7	7	4
Total Revenues	18,010	40,500	40,650	150	41,208
Expenditures					
Current					
Public safety	18,010	49,000	48,683	317	28,452
Excess of Revenues Over Expenditures	$ -	$ (8,500)	(8,033)	$ 467	12,756
Fund Balances Beginning of Year			17,908		5,152
Fund Balances End of Year			$ 9,875		$ 17,908

Polk County, Georgia
Law Enforcement Confiscated Monies - County Police Fund
Comparative Balance Sheet
June 30, 2014 and 2013

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	2014	2013
Assets		
Cash and cash equivalents	$ 67,353	$ 127,257
Interfund receivable	7,349	-
	$ 74,702	$ 127,257
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	$ -	$ 890
Fund Balances		
Restricted	74,702	126,367
	$ 74,702	$ 127,257

Polk County, Georgia
Law Enforcement Confiscated Monies - County Police Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts For the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 8,000	$ 8,000	$ 25,395	$ 17,395	$ 19,925
Investment earnings	-	-	54	54	48
Total Revenues	8,000	8,000	25,449	17,449	19,973
Expenditures					
Current					
Public safety	8,000	8,000	77,114	(69,114)	8,837
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	(51,665)	$ (51,665)	11,136
Fund Balances Beginning of Year			126,367		115,231
Fund Balances End of Year			$ 74,702		$ 126,367

Polk County, Georgia
Law Enforcement Confiscated Monies - Sheriff Fund
Comparative Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 6,119	$ 7,349
Liabilities and Fund Balances		
Fund Balances		
Restricted	6,119	7,349
Total Liabilities and Fund Balances	$ 6,119	$ 7,349

Polk County, Georgia

Law Enforcement Confiscated Monies - Sheriff Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and Forfeitures	$ 3,000	3,000	145	$ (2,855)	$ 4,203
Investment earnings			3	3	8
Total Revenues	3,000	3,000	148	(2,852)	4,211
Expenditures					
Current					
Public safety	3,000	3,000	1,378	1,622	12,816
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(1,230)	(1,230)	(8,605)
Fund Balances Beginning of Year	7,349	7,349	7,349	-	15,954
Fund Balances End of Year	$ 7,349	$ 7,349	$ 6,119	$ (1,230)	$ 7,349

Polk County, Georgia
County Jail Fund
Comparative Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 195,656	$ 200,435
Interfund receivable	4,430	3,155
Total Assets	$ 200,086	$ 203,590
Fund Balances		
Restricted	200,086	203,590
Total Liabilities and Fund Balances	$ 200,086	$ 203,590

Polk County, Georgia
County Jail Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 42,100	$ 51,100	$ 51,390	$ 290	$ 46,505
Investment earnings	150	125	126	1	152
Total Revenues	42,250	51,225	51,516	291	46,657
Expenditures					
Current					
Public safety	4,300	11,225	15,020	(3,795)	7,472
Excess of Revenues Over Expenditures	37,950	40,000	36,496	(3,504)	39,185
Other Financing (Uses)					
Transfers out	(40,000)	(40,000)	(40,000)	-	(40,000)
Net Change in Fund Balances	$ (2,050)	$ -	(3,504)	$ (3,504)	(815)
Fund Balances Beginning of Year			203,590		204,405
Fund Balances End of Year			$ 200,086		$ 203,590

Polk County, Georgia
District Attorney Fund
Comparative Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 78,696	$ 90,359
Interfund receivables	1,012	1,569
Total Assets	$ 79,708	$ 91,928
Fund Balances		
Restricted	$ 79,708	$ 91,928

Polk County, Georgia
District Attorney Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 7,500	$ 7,500	$ 25,513	$ 18,013	$ 8,134
Total Revenues	7,500	7,500	25,513	18,013	8,134
Expenditures					
Current					
Judicial	7,500	7,500	47,859	(40,359)	58,932
Excess of Revenues Over Expenditures	-	-	(22,346)	(22,346)	(50,798)
Other Financing Sources (Uses)					
Transfers in	-	-	10,126	10,126	11,416
Net Change in Fund Balances	-	-	(12,220)	(12,220)	(39,382)
Fund Balances Beginning of Year	91,928	91,928	91,928	-	131,310
Fund Balances End of Year	$ 91,928	$ 91,928	$ 79,708	$ (12,220)	$ 91,928

Polk County, Georgia
Juvenile Probation Fund
Comparative Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 100,115	$ 104,254
Interfund receivable	45	100
Total Assets	$ 100,160	$ 104,354
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 928
Interfund payable	464	-
	464	928
Fund Balances		
Restricted	99,696	103,426
Total Liabilities and Fund Balances	$ 100,160	$ 104,354

Polk County, Georgia
Juvenile Probation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 2,000	$ 1,150	$ 1,185	$ 35	$ 1,970
Investment earnings	50	50	51	1	54
Total Revenues	2,050	1,200	1,236	36	2,024
Expenditures					
Current					
Judicial	2,050	5,000	4,966	34	6,724
Excess of Revenues Over Expenditures	$ -	$ (3,800)	(3,730)	$ 70	(4,700)
Fund Balances Beginning of Year			103,426		108,126
Fund Balances End of Year			$ 99,696		$ 103,426

Polk County, Georgia
Clerk of Superior Court Special Fee Fund
Comparative Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 73,578	$ 67,679
Intergovernmental receivable	1,683	3,116
Total Assets	$ 75,261	$ 70,795
Liabilities and Fund Balances		
Fund Balances		
Restricted	75,261	70,795
Total Liabilities and Fund Balances	$ 75,261	$ 70,795

Polk County, Georgia
Clerk of Superior Court Special Fee Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Charges for services	$ 18,000	$ 18,000	$ 19,018	$ 1,018	$ 21,066
Total Revenues	18,000	18,000	19,018	1,018	21,066
Expenditures					
Current					
Judicial	18,000	18,000	14,552	3,448	13,327
Excess of Revenues Over Expenditures	$ -	$ -	4,466	$ 4,466	7,739
Fund Balances Beginning of Year			70,795		63,056
Fund Balances End of Year			$ 75,261		$ 70,795

Polk County, Georgia
Sheriff - Other Programs
Comparative Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 5,022	$ 3,598
Total Assets	$ 5,022	$ 3,598
Liabilities and Fund Balances		
Fund Balances		
Assigned	5,022	3,598
Total Liabilities and Fund Balances	$ 5,022	$ 3,598

Polk County, Georgia
Sheriff - Other Programs
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Miscellaneous		$ -	$ 49,368	$ 49,368	$ 5,643
Total Revenues	-	-	49,368	49,368	5,643
Expenditures					
Current					
Public Safety	5,800	5,800	47,944	(42,144)	3,804
Excess of Revenues Over Expenditures	$ (5,800)	$ (5,800)	1,424	$ 7,224	1,839
Net Change in Fund Balances					
Fund Balances Beginning of Year			3,598		1,759
Fund Balances End of Year			$ 5,022		$ 3,598

Polk County, Georgia
2008 SPLOST Fund
Comparative Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 4,355,775	$ 4,268,688
Interfund receivable		-
Intergovernmental receivable	494,310	464,527
Total Assets	$ 4,850,085	$ 4,733,215
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 103,716	$ 313,753
Interfund payable	-	2,000
Intergovernmental payable	228,767	214,982
	332,483	530,735
Fund Balances		
Restricted for capital projects	4,517,602	4,202,480
Total Liabilities and Fund Balances	$ 4,850,085	$ 4,733,215

Polk County, Georgia
2008 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Project Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2014

	Project Authorization	Restated Prior Years	Current Year	Total to Date
Revenues				
Sales taxes	$ 36,000,000	$ 24,106,628	$ 4,659,215	$ 28,765,843
Intergovernmental	-	858,792	1,145,317	2,004,109
Miscellaneous	-	-	6,065	6,065
Investment earnings	-	8,905	724	9,629
Total Revenues	36,000,000	24,974,325	5,811,321	30,785,646
Expenditures				
Intergovernmental	16,660,800	12,056,547	2,156,286	14,212,833
Capital Outlay				
General government	4,190,000	686,113	87,365	773,478
Public safety	4,765,000	2,851,543	960,652	3,812,195
Public works	4,200,000	4,748,755	961,896	5,710,651
Health and Welfare	2,308,000	14,344	-	14,344
Recreation	1,270,000	-	30,000	30,000
Economic Development	2,606,200	204,316	1,300,000	1,504,316
Total Expenditures	36,000,000	20,561,618	5,496,199	26,057,817
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	4,412,707	315,122	4,727,829
Other Financing Sources (Uses)				
Transfers out	-	(210,227)	-	(210,227)
Total Other Financing Sources (Uses)	-	(210,227)	-	(210,227)
Net Change in Fund Balances	$ -	4,202,480	315,122	$ 4,517,602
Fund Balances Beginning of Year			4,202,480	
Fund Balances End of Year			$ 4,517,602	

Polk County, Georgia
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2014

	2003 SPLOST Projects	Total
Assets		
Cash and cash equivalents	$ 3,176	$ 3,176
Intergovernmental receivable	1,882	1,882
Total Assets	$ 5,058	$ 5,058
Liabilities and Fund Balances		
Fund Balances		
Restricted	$ 5,058	$ 5,058
Total Fund Balances	5,058	5,058
Total Liabilities and Fund Balances	$ 5,058	$ 5,058

Polk County, Georgia
Nonmajor Capital Projects Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2014

	2003 SPLOST	Total
Revenues		
Intergovernmental	$ -	$ -
Miscellaneous	-	-
Total Revenues	-	-
Expenditures		
Intergovernmental	**-**	-
Capital Outlay		
Public works	-	-
Health and welfare	-	-
Total Expenditures	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Other Financing Sources		
Transfers in	-	-
Total Other Financing Sources	-	-
Net Change in Fund Balances	-	-
Fund Balances Beginning of Year	5,058	5,058
Fund Balances End of Year	$ 5,058	$ 5,058

Polk County, Georgia
2003 SPLOST Fund
Comparative Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 3,176	$ 3,176
Intergovernmental receivable	1,882	1,882
Total Assets	$ 5,058	$ 5,058
Liabilities and Fund Balances		
Fund Balances		
Restricted for capital outlay	5,058	5,058
Total Liabilities and Fund Balances	$ 5,058	$ 5,058

Polk County, Georgia
2003 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Project Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2014

	Project Authorization	Prior Years	Current Year	Total to Date
Revenues				
Sales taxes	$ 22,000,000	$ 22,537,990	$ -	$ 22,537,990
Intergovernmental	-	2,309,466	-	2,309,466
Miscellaneous	-	74,112	-	74,112
Investment earnings	-	67,677	-	67,677
Total Revenues	22,000,000	24,989,245	-	24,989,245
Expenditures				
Current				
General government	-	28,913	-	28,913
Intergovernmental	10,650,000	10,908,793	-	10,908,793
Capital Outlay				
General government	-	719,175	-	719,175
Public safety	6,500,000	3,969,710	-	3,969,710
Public works	4,850,000	7,294,939		7,294,939
Recreation	-	1,600,000	-	1,600,000
Debt Service				
Loan costs	-	14,485	-	14,485
Principal	-	6,899,780	-	6,899,780
Interest	-	448,444	-	448,444
Total Expenditures	22,000,000	31,884,239	-	31,884,239
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(6,894,994)	-	(6,894,994)
Other Financing Sources (Uses)				
Transfers in	-	52	-	52
Transfers out	-	-	-	-
Inception of installment contract obligation	-	6,900,000	-	6,900,000
Total Other Financing Sources (Uses)	-	6,900,052	-	6,900,052
Net Change in Fund Balances	$ -	$ 430,603	-	$ 5,058
Fund Balances Beginning of Year			5,058	
Fund Balances End of Year			$ 5,058	

Polk County, Georgia
Solid Waste Fund
Comparative Statement of Net Position
June 30, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 6,781,190	$ 5,730,543
Receivables		
Accounts	126,769	130,165
Interest	2,864	1,967
Total Current Assets	6,910,823	5,862,675
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents	2,207,004	2,044,829
Capital Assets		
Land	150,186	150,186
Depreciable capital assets, net	33,225	45,529
Total Noncurrent Assets	2,390,415	2,240,544
Total Assets	9,301,238	8,103,219
Liabilities		
Current Liabilities		
Accounts payable	7,626	-
Interfund payable	-	420,000
Deferred revenue	5,000	5,000
Total Current Liabilities	12,626	425,000
Long-Term Liabilities		
Deferred income - postclosure trust agreement	2,154,951	1,992,161
Landfill closure and postclosure care costs	885,814	924,163
Total Long-Term Liabilities	3,040,765	2,916,324
Total Liabilities	3,053,391	3,341,324
Net Position		
Invested in capital assets	183,411	195,715
Unrestricted	6,064,436	4,566,180
Total Net Position	$ 6,247,847	$ 4,761,895

Polk County, Georgia
Solid Waste Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Years Ended June 30, 2014 and 2013

	2014	2013
Operating Revenues		
Rental and royalty fees	$ 1,529,112	$ 1,608,578
Recycling sales	18,684	16,584
Total Operating Revenues	1,547,796	1,625,162
Operating Expenses		
Operating	51,912	3,047
Depreciation	12,304	12,304
Total Operating Expenses	64,216	15,351
Operating Income	1,483,580	1,609,811
Non-Operating Revenues (Expenses)		
Investment earnings	2,372	4,191
Total Non-Operating Revenues (Expenses)	2,372	4,191
Income before Transfers	1,485,952	1,614,002
Transfers out	-	(420,000)
Change in Net Position	1,485,952	1,194,002
Net Position Beginning of Year	4,761,895	3,567,893
Net Position End of Year	$ 6,247,847	$ 4,761,895

Polk County, Georgia
Solid Waste Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Cash received from customers	$ 1,551,192	$ 1,619,113
Cash payments for goods and services	(82,635)	(3,047)
Net Cash Provided by Operating Activities	1,468,557	1,616,066
Cash Flows from Noncapital Financing Activities		
Transfer to other funds	(420,000)	-
Postclosure trust funding by lessee	162,790	163,646
Lessee excess cost reimbursements		
Net interfund borrowings (repayments)		
Net Cash Provided by (Used in) Noncapital Financing Activities	(257,210)	163,646
Cash Flows from Investing Activities		
Investment earnings	1,475	3,771
Net Increase (Decrease) in Cash and Cash Equivalents	1,212,822	1,783,483
Cash and Cash Equivalents Beginning of Year	7,775,372	5,991,889
Cash and Cash Equivalents End of Year	$ 8,988,194	$ 7,775,372

(continued)

Polk County, Georgia
Solid Waste Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2014 and 2013

(continued)

	2014	2013
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 1,483,580	$ 1,609,811
Adjustments		
Depreciation	12,304	12,304
(Increase) Decrease in Assets		
Accounts receivable	3,396	(6,049)
Increase (Decrease) in Liabilities		
Accounts payable	7,626	-
Landfill Postclosure adjustment	(38,349)	-
Net Cash Provided by Operating Activities	$ 1,468,557	$ 1,616,066

Polk County, Georgia
Agency Funds
Comparative Statement of Fiduciary Assets and Liabilities
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 533,920	$ 836,514
Receivables		
Accounts	11,156	2,954
Property taxes	1,517,399	1,344,447
Total Assets	$ 2,062,475	$ 2,183,915
Liabilities		
Due to others	$ 2,062,475	$ 2,183,915
Total Liabilities	$ 2,062,475	$ 2,183,915

Polk County, Georgia
Agency Funds
Combining Statement of Fiduciary Assets and Liabilities
June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014								2013
	Tax Commissioner	Clerk of Superior Court	Magistrate Court	Sheriff	Probate Court	Police Seized Property	Juvenile Court	Total	Total
Assets									
Cash and cash equivalents	$ 143,977	$ 23,013	$ 6,946	$ 226,346	$ 29,800	$ 103,172	$ 20	$ 533,920	$ 836,514
Receivable (net of allowance for uncollectibles)									
Property taxes	1,517,399	-	-	-	-	-	-	1,517,399	1,344,447
Accounts	9,746	-	104	-	1,306	-	-	11,156	2,954
Total Assets	$ 1,671,122	$ 23,013	$ 7,050	$ 226,346	$ 31,106	$ 103,172	$ 20	$ 2,062,475	$ 2,183,915
Liabilities									
Due to others	$ 1,671,122	$ 23,013	$ 7,050	$ 226,346	$ 31,106	$ 103,172	$ 20	$ 2,062,475	$ 2,183,915
Total Liabilities	$ 1,671,122	$ 23,013	$ 7,050	$ 226,346	$ 31,106	$ 103,172	$ 20	$ 2,062,475	$ 2,183,915

Polk County, Georgia
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2014

(continued)

Tax Commissioner	Balance July 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2014
Assets					
Cash and cash equivalents	$ 125,480	$ 35,311,446	$ 35,292,949		$ 143,977
Accounts receivable	9,746	-	-		9,746
Taxes receivable	1,525,564	-	8,165		1,517,399
Total Assets	$ 1,660,790	$ 35,311,446	$ 35,301,114	$ -	$ 1,671,122
Liabilities					
Interfund payable	$ -	$ 11,696,321	$ 11,696,321		$ -
Due to others	1,660,790	23,615,125	23,604,793	-	1,671,122
Total Liabilities	$ 1,660,790	$ 35,311,446	$ 35,301,114	$ -	$ 1,671,122

Superior Court	Balance July 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2014
Assets					
Cash and cash equivalents	$ 269,585	$ 2,211,528	$ 2,424,658	$ (33,442)	$ 23,013
	$ 337,464	$ 2,211,528	$ 2,424,658	$ (33,442)	$ 23,013
Liabilities					
Interfund payable	$ -	$ 394,167	$ 360,725	$ (33,442)	$ -
Due to others	269,585	1,817,361	2,063,933	-	23,013
Total Liabilities	$ 269,585	$ 2,211,528	$ 2,424,658	$ (33,442)	$ 23,013

Magistrate Court	Balance July 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2014
Assets					
Cash and cash equivalents	$ 3,889	$ 467,848	$ 464,791	$ -	$ 6,946
Accounts receivable	46	58		-	104
Total Assets	$ 3,935	$ 467,906	$ 464,791	$ -	$ 7,050
Liabilities					
Interfund payable	$ -	$ 222,501	$ 222,501	$ -	$ -
Due to others	3,935	245,405	242,290	-	7,050
Total Liabilities	$ 3,935	$ 467,906	$ 464,791	$ -	$ 7,050

Polk County, Georgia
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2014

(continued)

Sheriff	Balance July 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2014
Assets					
Cash and cash equivalents	$ 226,212	$ 439,045	$ 410,692	$ (28,219)	$ 226,346
Accounts receivable	-	10,465		(10,465)	-
Intergovernmental receivable	-	16,119		(16,119)	-
Total Assets	$ 226,212	$ 465,629	$ 410,692	$ (54,803)	$ 226,346
Liabilities					
Interfund payable	$ -	$ 361,772	$ 306,969	$ (54,803)	$ -
Due to others	226,212	103,857	103,723	-	226,346
Total Liabilities	$ 226,212	$ 465,629	$ 410,692	$ (54,803)	$ 226,346

Probate Court	Balance July 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2014
Assets					
Cash and cash equivalents	$ 25,819	$ 652,280	$ 597,246	$ (51,053)	$ 29,800
Accounts receivable	1,326		20	-	1,306
Total Assets	$ 27,145	$ 652,280	$ 597,266	$ (51,053)	$ 31,106
Liabilities					
Interfund payable	$ -	$ 564,778	$ 513,725	$ (51,053)	$ -
Due to others	27,145	87,502	83,541	-	31,106
Total Liabilities	$ 27,145	$ 652,280	$ 597,266	$ (51,053)	$ 31,106

County Probation	Balance July 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2014
Assets					
Cash and cash equivalents	$ -	$ 138,270	$ 137,624	$ -	$ 646
Liabilities					
Interfund payable	$ -	$ 65,631	$ 65,631	$ -	$ -
Due to others	-	72,639	71,993	-	646
Total Liabilities	$ -	$ 138,270	$ 137,624	$ -	$ 646

Polk County, Georgia
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2014

Police Seized Property	Balance July 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2014
Assets					
Cash and cash equivalents	$ 106,329	$ 14,840	$ 17,997	$ -	$ 103,172
Liabilities					
Due to others	$ 106,329	$ 14,840	$ 17,997	$ -	$ 103,172

Juvenile Court	Balance July 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2014
Assets					
Cash and cash equivalents	$ 786	$ 3,269	$ 3,975	$ (60)	$ 20
Liabilities					
Interfund payable	$ -	$ 2,330	$ 2,270	$ (60)	$ -
Due to others	786	939	1,705	-	20
Total Liabilities	$ 786	$ 3,269	$ 3,975	$ (60)	$ 20

Total	Balance July 1, 2013	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2014
Assets					
Cash and cash equivalents	$ 758,100	$ 39,238,526	$ 39,349,932	$ (112,774)	$ 533,920
Taxes receivable	1,525,564	-	8,165	-	1,517,399
Accounts receivable	11,118	10,523	20	(10,465)	11,156
Intergovernmental receivable	-	16,119	-	(16,119)	-
Total Assets	$ 2,294,782	$ 39,265,168	$ 39,358,117	$ (139,358)	$ 2,062,475
Liabilities					
Interfund payable	$ -	$ 13,307,500	$ 13,168,142	$ (139,358)	$ -
Due to others	2,294,782	25,957,668	26,189,975	-	2,062,475
Total Liabilities	$ 2,294,782	$ 39,265,168	$ 39,358,117	$ (139,358)	$ 2,062,475