

WASHINGTON COUNTY, GEORGIA

FINANCIAL STATEMENTS

For the Year Ended June 30, 2014

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 3
REQUIRED SUPPLEMENTARY INFORMATION: Management's Discussion and Analysis	4 - 13
BASIC FINANCIAL STATEMENTS:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	14
Statement of Activities	15
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17 - 18
Statement of Net Position - Proprietary Funds	19
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	20
Statement of Cash Flows - Proprietary Funds	21
Statement of Fiduciary Assets and Liabilities - Fiduciary Funds	22
<i>Notes to Basic Financial Statements</i>	23 - 47
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	48 - 49
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Emergency 911 Telephone Fund	50
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Transportation Special Revenue Fund	51

	<u>PAGE</u>
OTHER SUPPLEMENTARY INFORMATION:	
Combining Balance Sheet – Nonmajor Governmental Funds	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	53
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Recreation Department Special Revenue Fund	54
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual –Law Library Special Revenue Fund	55
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual –2011 Community Development Block Grant Fund	56
Combining Statement of Net position – Fiduciary Funds	57
Combining Statement of Changes in Assets and Liabilities – Agency Funds	58 – 59
Schedule of Expenditures Compared to Budget (GAAP Basis) – General Fund	60 – 63
Schedule of Projects Constructed with Special Sales Tax Proceeds	64 – 65
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	66– 67
Schedule of Findings and Questioned Costs	68 - 69

WRIGHT & WRIGHT, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
130 NORTH HARRIS STREET • POST OFFICE BOX 1014
SANDERSVILLE, GEORGIA 31082
email: wwpc@wrightandwrightpc.com

TELEPHONE (478) 552-6146
FACSIMILE (478) 552-6158

CLYDE K. WRIGHT, CPA
BRIAN K. WRIGHT, CPA

INDEPENDENT AUDITORS' REPORT

To the County Commissioners
Washington County, 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 unit, each major fund, and the aggregate remaining fund information of Washington 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 Washington County Board of Health which represents 100% of the assets and revenues, respectively, of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units 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 from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund, of Washington 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 on pages 4 through 13 and the budgetary comparison information on pages 48 through 51 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 Washington County, Georgia's basic financial statements. The combining nonmajor fund financial statements, the fiduciary funds combining statement of net position, the schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the fiduciary funds combining statement of net position, the schedule of projects constructed with special sales tax proceeds, the schedule of expenditures of federal awards and the other schedules included in other supplementary information as described in the accompanying table of contents is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements or to the basic financial statements themselves, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated December 4, 2014 on our consideration of Washington County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washington County, Georgia's internal control over financial reporting and compliance.

Wright & Wright, P.C.

December 4, 2014

Sandersville, Georgia

WASHINGTON COUNTY BOARD OF COMMISSIONERS

P.O. Box 271

Sandersville, Georgia 31082

Phone 478-552-2325 • Fax 478-552-7424

email: washbocomm@bellsouth.net

HORACE DANIEL

Chairman

LARRY MATHIS

District 1

EDWARD BURTEN, JR.

District 2

MELTON JONES

District 3

FRANK SIMMONS, JR.

District 4

CHRIS HUTCHINGS

Administrator/Clerk

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Washington County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2014. Please read it in conjunction with the County's financial statements which begin on page 14.

1. USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 14 -15) provide information about activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 16. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the County as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the County as a whole begins on page 7. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes in them. You can think of the County's net assets – the difference between assets and liabilities – as

one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider nonfinancial factors such as changes in the County's property tax base and the condition of the County's roads and other physical assets to assess the overall health of the County.

In the Statement of Net Assets and the Statement of Activities, we divide the County into three kinds of activities:

- Governmental activities—Most of the County's basic services are reported here, including public safety, court system, public works, health & welfare and general administration. Taxes, court fines and intergovernmental revenue finance most of these activities.
- Business-type activities—The County charges a fee to customers to help it cover all or most of the cost of certain services it provides. The County's landfill is reported here.
- The County includes one separate legal entity in its report - the Washington County Health Department. Although legally separate, this "component unit" is important because the County is financially accountable for it. Complete financial statements may be obtained at 201 Morningside Drive, Sandersville, Georgia 31082.

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the County's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

General government	Business licenses and permits; Qualifying fees; Intangible recording taxes
Public safety	Fines and forfeits; E911 telephone charges and city charges; Housing prisoners; State reimbursements for training
Judicial	All court fines and forfeits; Law library revenue
Public works	Georgia Department of Transportation reimbursements; Pipe and driveway installations
Culture/recreation	Recreation department charges for services; Payments from the County and cities to the Recreation department

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Business-type Activities

The Landfill Fund has historically collected revenue amounting to approximately half of the total operating expenditures, including depreciation. The General Fund transfers money to the Landfill Fund to cover the remaining operating costs. During the year ended June 30, 2014, the Landfill Fund transferred \$210,370 to the General Fund as the Landfill Fund had over a period of years accumulated excess cash from transfers from the General Fund.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 16 and provide detailed information about the most significant funds – not the County as a whole. Some funds are required to be established by State law and by bond covenants. However, the County Commissioners establish other funds to help them control and manage money for particular purposes or to show that they are meeting legal responsibilities for using certain taxes, grants, and other money (like the Emergency 911 Telephone Fund and the Capital Projects Fund which account for special purpose local option sales tax revenue). The County's two kinds of funds – governmental and proprietary – use different accounting approaches.

- Governmental funds – Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.
- Proprietary funds – When the County charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the County's enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

The County as Trustee

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for the offices of Tax Commissioner, Probate Court, Clerk of Courts, Sheriff and Magistrate Court. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets on page 19. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

2. FINANCIAL HIGHLIGHTS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of Washington County, assets exceeded liabilities by \$50,45,369 as of June 30, 2014.

The largest portion of the County's net assets (70%) reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 16,933,577	\$ 14,324,797	\$ 1,196,139	\$ 1,290,000	\$ 18,129,716	\$ 15,614,797
Capital assets	32,344,188	32,463,928	3,391,178	3,413,607	35,735,366	35,877,535
Total assets	49,277,765	46,788,725	4,587,317	4,209,178	53,865,082	51,492,332
Current liabilities	1,589,370	1,527,667	44,035	32,420	1,633,405	1,560,087
Long-term liabilities	-	-	1,386,308	1,343,499	1,386,308	1,343,499
Total liabilities	1,589,370	1,527,667	1,430,343	1,375,919	3,019,713	2,903,586
Net position:						
Investment						
in capital assets	32,344,188	32,463,928	3,391,178	3,413,607	35,735,366	35,877,535
Restricted	6,939,122	5,715,697	1,386,308	1,343,499	8,325,430	7,059,196
Unrestricted	8,405,085	7,081,433	(1,620,512)	(1,429,418)	6,784,573	5,652,015
Total net position	\$ 47,688,395	\$ 45,261,058	\$ 3,156,974	\$ 3,327,688	\$ 50,845,369	\$ 48,588,746

As a whole the Government's financial position improved during fiscal 2014. Total net assets increased by \$2,256,623. Net assets for governmental activities increased \$2,427,337 or 5.4% which was due to capital spending funded mainly through the use of special purpose local option sales tax. The net assets for business-type activities decreased \$170,714 or 5.1% due to transfers from the Landfill Fund to the General Fund to reduce excess cash in the Landfill Fund.

The following table provides a summary of the County's operations for the year ended June 30, 2014 with comparative totals for year ended June 30, 2013.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
REVENUES:						
Program revenues:						
Charges for services	\$ 1,180,195	\$ 1,216,656	\$ 810,355	\$ 760,067	\$ 1,990,550	\$ 1,976,723
Operating grants and contributions	2,747,618	1,453,937	70,478	-	2,818,096	1,453,937
Capital grants and contributions	87,299	2,052,319	-	-	87,299	2,052,319
General revenues:						
Property taxes	6,553,229	6,471,401	-	-	6,553,229	6,471,401
Local option sales tax	1,465,734	1,571,791	-	-	1,465,734	1,571,791
SPLOST revenue	2,789,772	2,977,291	-	-	2,789,772	2,977,291
Other taxes	1,267,978	912,175	-	-	1,267,978	912,175
Other	366,031	276,428	17,801	1,052	383,832	277,480
Total revenues	<u>16,457,856</u>	<u>16,931,998</u>	<u>898,634</u>	<u>761,119</u>	<u>17,356,490</u>	<u>17,693,117</u>
EXPENSES:						
General government	4,636,212	4,815,366	-	-	4,636,212	4,815,366
Public safety	3,389,268	3,607,422	-	-	3,389,268	3,607,422
Judicial	1,045,109	1,036,576	-	-	1,045,109	1,036,576
Public works	4,044,884	2,649,627	-	-	4,044,884	2,649,627
Health and welfare	381,289	1,767,764	-	-	381,289	1,767,764
Culture/Recreation	728,945	679,492	-	-	728,945	679,492
Interest on long-term debt	-	-	-	-	-	-
Landfill	-	-	874,160	1,357,491	874,160	1,357,491
Total expenses	<u>14,225,707</u>	<u>14,556,247</u>	<u>874,160</u>	<u>1,357,491</u>	<u>15,099,867</u>	<u>15,913,738</u>
Increase (decrease) in net position before transfers	2,232,149	2,375,751	24,474	(596,372)	2,256,623	1,779,379
TRANSFERS	195,188	(410,462)	(195,188)	410,462	-	-
Increase (decrease) in net position	2,427,337	1,965,289	(170,714)	(185,910)	2,256,623	1,779,379
NET POSITION, beginning of year	<u>45,261,058</u>	<u>43,295,739</u>	<u>3,327,688</u>	<u>3,513,598</u>	<u>48,588,746</u>	<u>46,809,337</u>
NET POSITION, end of year	<u>\$ 47,688,395</u>	<u>\$ 45,261,028</u>	<u>\$ 3,156,974</u>	<u>\$ 3,327,688</u>	<u>\$ 50,845,369</u>	<u>\$ 48,588,716</u>

Property taxes, local option sales tax and special local option sales tax were all lower in 2014, but these were offset by an increase in other taxes including title ad valorem tax on vehicle purchases as well as having a full twelve months of TSPLOST payments.

3. FUND FINANCIAL INFORMATION

Major Governmental Funds

General Fund

The central operating fund for Washington County, the General Fund, had total assets of \$9,967,067 and total liabilities of \$374,063 at the end of fiscal year 2014. Total revenues and other financing sources for fiscal year 2014 of \$11,366,677 exceeded expenditures and other financing uses of \$9,969,371.

Other Major Governmental Funds

The fund balances for the Capital Projects Fund (2009) and the Transportation Fund increased by \$1,098,768 and \$431,021, respectively, as the pace of tax receipts exceeded the capital projects and other expenditures paid for by these funds.

Major Proprietary Funds

Landfill Fund

Total assets were \$4,587,317, total liabilities were \$1,430,343, and net assets were \$3,156,974 at the end of fiscal year 2014. At June 30, 2014, the County has funded \$817,425, or 59.0% of the post closure accrual.

4. GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the County Commissioners had two amendments to the General Fund budget.

General Fund revenues for the year of \$10,521,590 were \$487,561 more than budgeted revenues due mainly to the County receiving \$655,229 more in auto tax and title ad valorem tax than was budgeted.

Total General Fund expenditures for fiscal year 2014 were 94.4% of the final budget. Expenditures for all functional areas except the culture/recreation capital outlays were less than the budget.

5. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2014, the County had \$35.7 million invested in capital assets including equipment, buildings, infrastructure, park facilities, and landfills (See table below.) This represents a net decrease of \$142,169, or 0.4% compared to last year.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 963,815	\$ 963,815	\$2,948,503	\$2,948,503	\$ 3,912,318	\$ 3,912,318
Infrastructure	11,770,597	12,171,739	-	-	11,770,597	12,171,739
Buildings	13,669,873	13,948,746	26,081	27,662	13,695,954	13,976,408
Equipment	4,771,555	4,811,518	247,496	283,526	5,019,051	5,095,044
Construction in progress	1,168,348	568,110	169,098	153,916	1,337,446	722,026
Total	<u>\$32,344,188</u>	<u>\$32,463,928</u>	<u>\$3,391,178</u>	<u>\$3,413,607</u>	<u>\$35,735,366</u>	<u>\$35,877,535</u>

This year's major additions included:

Paving of dirt roads paid for with Special Purpose Local Option Sales Tax revenues	\$ 263,164
Drainage improvements paid for by a Community Development Block Grant	374,648
Road department equipment paid for with Special Purpose Local Option Sales Tax revenues	266,103
(3) Vehicles for sheriff's department paid for with Special Purpose Local Option Sales Tax revenues	123,271
	<u>\$ 1,027,186</u>

Additional information on Washington County's capital assets can be found in Note 6 on page 34 of this report.

Debt

The County had no debt outstanding at anytime during the year ended June 30, 2014.

6. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Washington County is a rural county located in East Central Georgia along the Fall Line, a geologic line that separates the Piedmont Plateau from the Coastal Plain. It lies half way between Atlanta and Savannah (about 120 miles from each). It also lies about half way between Macon and Augusta (about 60 miles from each).

The 2010 Census shows that the County's population was 21,187 which was an increase of 11 persons over the 2000 Census population. There are seven municipalities in the County with the following populations:

<u>City</u>	<u>Population</u>
Davisboro	2,010
Deepstep	131
Harrison	489
Oconee	252
Riddleville	96
Sandersville (the County Seat)	5,912
Tennille	1,539

The population in the unincorporated areas of the County was 10,730 in 2010.

The major industries in Washington County includes mining/processing of kaolin. Washington County is known as the “Kaolin Capital of the World”. Kaolin, one of Georgia’s most important minerals, is white alumina-silica clay that is mined and extensively processed throughout Middle Georgia. It is used in hundreds of products including paper, paint, plastics, ceramics, food, fracking materials and medicine. The Kaolin industry, despite recent declines, is still a primary economic driver of the County. Other than Kaolin, the key industries include trucking, plastics manufacturing, battery manufacturing, timber, agriculture, medical services (including a local hospital) and government. The district Georgia Department of Transportation office is in Tennille and Oconee Fall Line Technical College is in Sandersville.

Washington County has an extensive transportation network. State Route 15 connects the County to I-20 about 40 miles to its north and I-16 about 40 miles to its south. The Highway 15 corridor is on the Governor’s Road Improvement Program (GRIP). Portions of the highway will be four-laned within the next 10 years including truck routes around Sandersville and Tennille by 2020. Another GRIP corridor, the Fall Line Freeway, is already four-laned between Washington County and Augusta. Current improvements are underway to complete four-laning the Fall Line Freeway between Washington County and Macon. The County has over 1,100 lane miles in its unincorporated areas including paved, unpaved county roads, and State Routes which is among the highest in Georgia.

At Kaolin Field, a new modern airport terminal was commissioned in 2010 and a \$2.2 million parallel taxiway was completed in 2014. An Airport Improvement Plan was completed in 2014 and plans are underway to construct a Corporate Hangar. The Airport is actively marketed to visitors and tenants. The main Norfolk-Southern railway runs through Tennille. The local Sandersville Railroad Company connects to the Norfolk-Southern and serves kaolin and other industries.

Washington County has not fully recovered from the "Great Recession" in recent years and a decline in the Kaolin industry. Unemployment continues to plague Washington County. The average unemployment for 2014 (trailing 12-months through July, 2013) is 10.2% compared to 7.5% for the state as a whole for the same period. The number of employed individuals in Washington County was 6,417 in July, 2014 compares with 6,468 in July, 2013.

Per capita personal income (in 2012) is \$16,489 compared with \$25,309 for Georgia as a whole. Median household income (2012) is \$31,441 for Washington County versus \$49,604 for Georgia. The number of citizens below the poverty level is at 24.7% compared to 17.4% for the state [http://quickfacts.census.gov/qdf/states/13/13303.html].

The workforce is employed in the following industries:

- Goods-producing: 15.8%
- Service-producing: 50.2%
- Government: 33.8%

[Georgia Department of Labor Area Labor Profile, Updated August, 2014]

Average weekly wage is \$687 for Washington County versus \$972 for the state as a whole [Same source as above].

In recent years, the County commissioners made numerous budget cuts including headcount reductions, reductions in employee benefits, funding to the Airport Authority, Hospital, Ambulance, Fire Departments, Library, DFCS, and Health Departments. In addition to these cuts, County acquired new revenue sources. A Garbage fee for homeowners in unincorporated areas was established in FY2013. The TIA Act of 2010 (i.e. the TSPLOST) passed in July, 2012 and the County began receiving a portion of a regional sales tax paid in to the CSRA Regions in March, 2013. Since then, the County commissioners have been using half of these funds to re-surface County paved roads and half to pay for regular road maintenance normally paid for with General Fund revenues.

The General Budget for FY2015 is balanced. The FY2015 Budgets for E911, Landfill and General Fund together show only a 0.74% increase over the final FY2014 budget. The FY2015 budget again includes transfers of half of the TIA discretionary funds and increased garbage fees. Sales taxes are budgeted to decline because of additional exemptions on manufacturing energy and the lack of a local economic rebound. Most other revenues are budgeted to be close to flat including property taxes.

For the second year, the County will add a one half mill assessment to each property tax bill to directly fund the Industrial Development Authority. Another budget increase will be to increase the funding to the Chamber of Commerce who is contracted to do other economic development activities such as

promoting tourism and promoting business retention. These funds are intended to supply funds for Economic Development so that Washington County becomes competitive with other progressive rural communities.

The expenditure budget for FY2015 will increase by only 1.2% over the final FY2014 budget. All costs continue to be scrutinized. Health insurance costs will be close to flat due to good usage experience and an increase in employee contributions. The Defined Benefits (DB) plan costs will decrease due to closing the plan to new employees hired after October 1, 2011. The unfunded liabilities of the pension plan decreased from about \$2.8 million to about 2.1 million due to this change. Other key increases include the purchase of a new accounting computer system (\$38,000) and a purchase of new EMA Radio Equipment to be installed on a third system tower near Davisboro (\$120,000) to improve radio coverage for portable units in the eastern portion of the County. These capital purchases are being funded out of current revenues. The FY2015 budget expenditures include one additional jailer (due to the increased number of inmates), one additional deputy registrar and added one full time employee to the Tax Assessor's Department. There are reductions in part time hours in Probate, Tax Assessor's and Clerk of Court Offices. A cost of living pay increase is budgeted for full time county employees of 2%. Starting pay for deputies have also been increased in the FY2015 budget.

The current SPLOST (#6) ends September, 2014 and SPLOST (#7) proceeds will begin. Included in SPLOST (#7) are funds to provide principle and interest payments for Bond debt incurred by the Public Facilities Authority to construct a new County Jail and Sheriff's office. The need for a new, larger jail was identified and placed on the SPLOST ballot in 2013. The voter's approved the SPLOST and the Public Facilities Authority immediately sold bonds to raise about \$16 million for the new facility. The principle and interest payments are guaranteed by the County over about an 18 year period. The first six years can be paid from the passed SPLOST (#7). The new County Jail was bid and Dublin Construction was awarded the bid by the Public Facilities Authority. Construction began in August, 2014.

7. CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Commissioner's Office at 119 Jones Street, Sandersville, Georgia.

Chris Hutchings
County Administrator/Clerk

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board ("GASB"). The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
 - Governmental funds
 - Proprietary (enterprise) fund
 - Fiduciary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

WASHINGTON COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 8,660,531	\$ 432,101	\$ 9,092,632	\$ 867,148
Investments	6,828,797	755,731	7,584,528	-
Accounts receivable, net	132,925	8,307	141,232	33,541
Receivable from other governments	1,025,283	-	1,025,283	-
Inventories	233,521	-	233,521	-
Prepaid expenses	52,520	-	52,520	-
Total current assets	<u>16,933,577</u>	<u>1,196,139</u>	<u>18,129,716</u>	<u>900,689</u>
Noncurrent assets:				
Nondepreciable	2,132,163	3,117,601	5,249,764	-
Depreciable capital assets, net of accumulated depreciation	30,212,025	273,577	30,485,602	17,768
Total assets	<u>49,277,765</u>	<u>4,587,317</u>	<u>53,865,082</u>	<u>918,457</u>
LIABILITIES:				
Current liabilities:				
Accounts payable	459,914	36,795	496,709	37,363
Other accrued liabilities	1,051,970	-	1,051,970	-
Deferred revenue	-	-	-	-
Accrued compensated absences	77,486	7,240	84,726	5,165
Total current liabilities	<u>1,589,370</u>	<u>44,035</u>	<u>1,633,405</u>	<u>42,528</u>
Noncurrent liabilities:				
Compensated absences, less current portion	-	-	-	32,922
Estimated liability for landfill closure and postclosure care costs	-	1,386,308	1,386,308	-
Total noncurrent liabilities	<u>-</u>	<u>1,386,308</u>	<u>1,386,308</u>	<u>32,922</u>
Total liabilities	<u>1,589,370</u>	<u>1,430,343</u>	<u>3,019,713</u>	<u>75,450</u>
NET POSITION:				
Investment in capital assets	32,344,188	3,391,178	35,735,366	17,768
Restricted for:				
Inventory	233,521	-	233,521	-
Capital projects	4,780,222	-	4,780,222	-
Public safety	540,644	-	540,644	-
Transportation	1,382,081	-	1,382,081	-
Culture and recreation	2,654	-	2,654	-
Closure and post-closure costs	-	1,386,308	1,386,308	-
Unrestricted	8,405,085	(1,620,512)	6,784,573	825,239
	<u>\$ 47,688,395</u>	<u>\$ 3,156,974</u>	<u>\$ 50,845,369</u>	<u>\$ 843,007</u>

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2014

	General Fund	Capital Projects Fund (2009)	Transportation Fund	E911 Telephone Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	\$ 2,993,033	\$ 3,903,700	\$ 1,203,734	\$ 481,569	\$ 78,495	\$ 8,660,531
Investments	6,382,586	-	-	-	446,211	6,828,797
Accounts receivable, net	94,010	-	-	36,515	2,400	132,925
Receivables from other funds	25,817	-	-	-	-	25,817
Receivables from other governments	262,814	534,859	226,552	-	1,058	1,025,283
Prepaid expenses	52,520	-	-	-	-	52,520
Inventories	156,287	-	-	-	77,234	233,521
Total assets	<u>\$ 9,967,067</u>	<u>\$ 4,438,559</u>	<u>\$ 1,430,286</u>	<u>\$ 518,084</u>	<u>\$ 605,398</u>	<u>\$ 16,959,394</u>
LIABILITIES:						
Accounts payable	\$ 345,786	\$ 112,147	\$ 47,205	\$ 18,244	\$ 6,079	\$ 529,461
Payable to other funds	-	24,317	1,000	-	500	25,817
Deferred revenue	28,277	-	-	-	-	28,277
Total liabilities	<u>374,063</u>	<u>136,464</u>	<u>48,205</u>	<u>18,244</u>	<u>6,579</u>	<u>583,555</u>
FUND BALANCES:						
Non-spendable fund balance:						
Inventory	156,287	-	-	-	77,234	233,521
Prepaid expenses	52,520	-	-	-	-	52,520
Restricted fund balance:						
Capital projects	-	4,302,095	-	-	478,127	4,780,222
Public safety	-	-	-	499,840	-	499,840
Transportation	-	-	1,382,081	-	-	1,382,081
Committed fund balance	-	-	-	-	-	-
Assigned fund balance:						
Public safety	-	-	-	-	40,804	40,804
Culture and recreation	-	-	-	-	2,654	2,654
Unassigned fund balance	9,384,197	-	-	-	-	9,384,197
Total fund balances	<u>9,593,004</u>	<u>4,302,095</u>	<u>1,382,081</u>	<u>499,840</u>	<u>598,819</u>	<u>16,375,839</u>
Total liabilities and fund balance	<u>\$ 9,967,067</u>	<u>\$ 4,438,559</u>	<u>\$ 1,430,286</u>	<u>\$ 518,084</u>	<u>\$ 605,398</u>	
Amounts reported for governmental activities in the Statement of Net Position are different because:						
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$15,291,714						32,344,188
Net OPEB obligations are not due and payable in the current period and, therefore are not reported in the funds						(982,423)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:						
Accounts receivable, net of allowance for doubtful accounts of \$0						28,277
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:						
Compensated absences						(77,486)
Net position of governmental activities						<u>\$ 47,688,395</u>

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
 STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Capital Projects Fund (2009)	Transportation Fund	E911 Telephone Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	\$ 9,328,258	\$ 2,789,772	\$ 1,477,924	\$ -	\$ -	\$ 13,595,954
Licenses and permits	58,946	-	-	-	-	58,946
Intergovernmental	56,846	84,257	625,237	162,405	434,914	1,363,659
Fees and fines	622,107	-	-	-	-	622,107
Charges for services	91,740	-	-	328,910	47,655	468,305
Other	363,693	3,042	-	-	23,467	390,202
Total revenues	10,521,590	2,877,071	2,103,161	491,315	506,036	16,499,173
EXPENDITURES:						
Current operating:						
General government	3,570,156	-	-	-	-	3,570,156
Public safety	2,637,342	19,750	-	611,955	-	3,269,047
Judicial	1,042,484	-	-	-	6,020	1,048,504
Public works	1,851,250	335,205	1,189,169	-	-	3,375,624
Health and welfare	352,902	9,934	-	-	-	362,836
Culture/recreation	515,237	-	-	-	144,010	659,247
Intergovernmental	-	706,809	-	-	-	706,809
Debt service:						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Capital outlays	-	706,605	-	3,145	402,521	1,112,271
Total expenditures	9,969,371	1,778,303	1,189,169	615,100	552,551	14,104,494
Excess (deficiency) of revenues over expenditures	552,219	1,098,768	913,992	(123,785)	(46,515)	2,394,679
OTHER FINANCING SOURCES (USES):						
Loan proceeds	-	-	-	-	-	-
Transfers in (out)	845,087	-	(482,971)	(151,746)	-	210,370
Total other financing sources and uses	845,087	-	(482,971)	(151,746)	-	210,370
Net change in fund balance	1,397,306	1,098,768	431,021	(275,531)	(46,515)	2,605,049
FUND BALANCE, beginning	8,195,698	3,203,327	951,060	775,371	645,334	13,770,790
FUND BALANCE, ending	\$ 9,593,004	\$ 4,302,095	\$ 1,382,081	\$ 499,840	\$ 598,819	\$ 16,375,839

(Continued)

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA, GEORGIA
 STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds	<u>\$ 2,605,049</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital outlays	1,196,792
Depreciation	<u>(1,344,541)</u>
	<u>(147,749)</u>
The effect of various capital asset disposals and sales, net of accumulated depreciation	<u>28,009</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	<u>(52,195)</u>
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	<u>35,540</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	<u>(41,317)</u>
	<u><u>\$ 2,427,337</u></u>

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	<u>Landfill Enterprise Fund</u>
ASSETS	
CURRENT ASSETS:	
Cash in bank	\$ 432,101
Investments	755,731
Accounts receivable, net of allowance	8,307
Total current assets	<u>1,196,139</u>
LONG-TERM ASSETS:	
Capital Assets:	
Land and improvements	2,948,503
Buildings	48,061
Equipment	1,710,749
Vehicles	293,983
Construction in progress	169,098
	<u>5,170,394</u>
Less accumulated depreciation	<u>(1,779,216)</u>
Total capital assets	<u>3,391,178</u>
Total assets	<u>4,587,317</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	36,795
Compensated absences	7,240
Total current liabilities	<u>44,035</u>
LONG-TERM LIABILITIES:	
Closure and post-closure costs	1,386,308
Total noncurrent liabilities	<u>1,386,308</u>
Total liabilities	<u>1,430,343</u>
NET POSITION	
INVESTMENT IN CAPITAL ASSETS	3,391,178
RESTRICTED FOR CLOSURE AND POST-CLOSURE COSTS	1,386,308
UNRESTRICTED	<u>(1,620,512)</u>
Total net position	<u>\$ 3,156,974</u>

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Landfill Enterprise Fund
OPERATING REVENUES:	
Charges for services - landfill use fees	\$ 233,822
Residential County garbage fee	576,533
Other	-
Total operating revenues	810,355
 OPERATING EXPENSES:	
Personal services and employee benefits	169,505
Purchased/contract services	584,865
Supplies	39,370
Depreciation	37,611
Post-closure costs	42,809
Other costs	-
Total operating expenses	874,160
 OPERATING INCOME (LOSS)	 (63,805)
 NON-OPERATING REVENUES (EXPENSES):	
State grant	70,478
Investment income	6,961
Interest income	10,840
Total non-operating revenues (expenses)	88,279
 NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	 24,474
 CAPITAL CONTRIBUTIONS	 15,182
 NET INCOME (LOSS) BEFORE TRANSFERS	 39,656
 TRANSFERS IN (OUT)	 (210,370)
 CHANGE IN NET POSITION	 (170,714)
 NET POSITION, beginning of year	 3,327,688
 NET POSITION, end of year	 \$ 3,156,974

See accompanying notes to the basic financial statements

**WASHINGTON COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Landfill Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 856,315
Cash paid to suppliers for goods and services	(612,818)
Cash paid to employees	(169,307)
Net cash provided by (used for) operating activities	<u>74,190</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from (to) other funds	(210,370)
Net cash provided by (used for) noncapital financing activities	<u>(210,370)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from grant	70,478
Purchase of capital assets	-
Net cash provided by (used for) capital and related financing activities	<u>70,478</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
(Increase) decrease in investments	(755,731)
Interest received	17,801
Net cash provided by (used for) investing activities	<u>(737,930)</u>
NET INCREASE (DECREASE) IN CASH	(803,632)
CASH AND CASH EQUIVALENTS, beginning of year	1,235,733
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 432,101</u></u>
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Net operating income (loss)	\$ (63,805)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:	
Cash flows reported in other categories:	
Depreciation expense	37,611
Changes in assets and liabilities:	
Accounts receivable	45,960
Accounts payable	11,417
Landfill closure/postclosure care costs	42,809
Payroll taxes payable	198
Net cash provided by (used for) operating activities	<u><u>\$ 74,190</u></u>
NONCASH CAPITAL FINANCING ACTIVITIES:	
Capital asset purchases of \$15,182 were made through contributions from the Capital Projects Fund (2009)	

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
FIDUCIARY FUNDS - AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2014

	<u>Agency Funds</u>
ASSETS:	
Cash in bank	\$ 569,018
Property taxes receivable	143,423
Other receivables	<u>1,840</u>
Total assets	<u><u>\$ 714,281</u></u>
LIABILITIES:	
Due to others	\$ 480,732
Due to other governments	<u>233,549</u>
Total liabilities	<u><u>\$ 714,281</u></u>

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of Washington County (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. As required by GAAP, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County.

Included as blended component units because they are, in substance, part of the County's operation:

Washington County Recreation Commission - The Recreation Commission was created by a resolution of the Washington County Board of Commissioners on June 9, 1977, under provisions of Act. No. 622 of the Georgia Municipal law as approved February 1, 1946, to operate through a full time staff a county-wide recreation program. The County has one representative on the Recreation Commission board, acts as a conduit for funds contributed by both the County and cities within Washington County for operation of the Recreation Commission and pays directly salaries of its full-time employees. The Commission does not issue financial statements separate from the County.

Included as a discretely presented component unit in a separate column in the combined financial statements to emphasize it is legally separate from the County:

Washington County Health Department - The financial operations of the Washington County Health Department (the Department) are presented as a governmental fund type. The County appoints four of the seven Department board members, funds a portion of the Department's budget, and can approve environmental health service fees charged by the Department. Another auditor, whose report was unqualified, audited the Health Department's financial statements. Complete financial statements may be obtained at 201 Morningside Drive, Sandersville, Georgia 31082.

Excluded from the reporting entity:

Because they are operated as agencies controlled and/or funded by other government agencies, the Washington County Board of Education, the Washington County Library and the Department of Family and Children Services are not included in the County's reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the County (the primary government) and its component units. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the County is reported separately from certain legally separate component units for which the County is financially accountable.

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including accrued interest on general long-term debt, is recognized when due, and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The County reports the following major governmental funds:

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

The Capital Projects Fund (SPLOST 2009) accounts for capital outlay and other transactions related to the additional one-percent local option sales tax in effect for the period January 1, 2010 to December 31, 2014.

The Transportation Special Revenue Fund accounts for capital outlay and other transportation improvements related to the additional one-percent local option sales tax in effect for the period January 1, 2013 to December 31, 2022.

The Emergency 911 Telephone Fund accounts for the charge collected by telephone companies. This revenue is used to offset the costs of operating the E911 system.

The County reports the following major proprietary fund:

The Landfill Fund is used to account for the provision of solid waste disposal services to businesses and residents of the County. All activities necessary to provide such services are accounted for in the fund, including but not limited to, administration, operation, financing and related debt services, and billing and collections.

Additionally, the County reports the following fund type:

Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. The County's fiduciary funds include the following fund type:

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The funds are used to account for assets that the County holds for others in an agency capacity.

The County complies with Governmental Accounting Standards Board ("GASB") Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting.

This Statement requires the County to apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's). As permitted by GASB No. 20, the County has elected not to comply with the FASB Statements and Interpretations issued after November 30, 1989.

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

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

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.

D. Cash and Investments

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

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 government or governmental agency
- Obligations of any corporation of the 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

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

E. Inventory

Inventory is valued at cost, which approximates market, using the first-in/first-out method. The cost of governmental fund-type inventory is recorded as an expenditure when consumed rather than when purchased.

Materials purchased in the proprietary fund are expensed as purchased and are not inventoried at year end due to lack of materiality.

F. Prepaid Items

Prepaid balances, if any, are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year, and a reserve for prepaid items is recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an estimated useful life in excess of two years and an original cost of \$2,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Beginning July 1, 2002, GASBS No. 34 required the County to report and depreciate all new governmental funds' infrastructure assets. GASBS No. 34 also required governments to retroactively report infrastructure assets constructed between 1980 and 2002. This retroactive reporting is subject to an extended implementation period and is first effective for the County for the year ended June 30, 2008. Accordingly, the County has fully implemented the retroactive infrastructure provisions in the fiscal year ending June 30, 2008. Infrastructure assets totaling \$444,603 were completed during the year ended June 30, 2014. At June 30, 2014, \$535,009 of construction-in-progress was related to infrastructure assets.

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

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows

Buildings	30-40 Years
Depreciable land improvements	8 - 20 years
Machinery and equipment	5 - 25 years
Infrastructure	50 - 60 years

H. Compensated Absences

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

Full time employees of the Washington County Health Department (the "Department") earn leave time, which may either be taken or accumulated until paid upon termination or retirement. Unused leave time may be accumulated to a specific maximum amount and is paid upon termination, retirement or death to Department employees. In accordance with generally accepted accounting principles as applicable to the Department, an accrual for compensated absences is reflected in the accompanying general purpose financial statements as liability for compensated absences.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charged and amortized over the term of the related debt.

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

J. Equity Classifications

The County has implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This new standard changed the overall definitions and classifications of governmental fund balances.

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

Fund Balance

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

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

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

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commissioners through the adoption of a resolution. Only the County 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 County Commissioners have authorized the County Clerk to assign fund balances.

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

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the County would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

The County does not have a formal minimum fund balance policy; however, the County Commissioners address various target reserve positions which are reviewed periodically.

Net Position

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Basis

GAAP is the budgetary basis used in the preparation of these statements.

Budget Requirements, Accounting and Reporting

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to year end the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Washington County.
3. The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting early in the year to which it applies.
4. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same.
5. The legal level of budgetary control is the department level within the General Fund. Increases in the total appropriations of a department, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among departments, require the approval of the Board of Commissioners.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP.
7. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations which were amended.

Excesses of Expenditures over Appropriations in Individual Funds

	Final Budget	Actual Expenditures	Excess
Major Funds:			
General Fund:			
Culture/Recreation capital outlays	\$ -	\$ 1,771	\$ 1,771
E911 Fund:			
Current operating	580,900	611,955	31,055
Capital Outlays	-	3,145	3,145

3. DEPOSITS AND INVESTMENTS

Primary Government

Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 30, 2014, none of the County’s \$9,023,085 was exposed to custodial credit risk.

Investments – At June 30, 2014, the County had the following investments and maturities.

Investment	Maturities	Fair Value
Freddie Mac	8/23/2017	\$1,138,319
Fannie Mae	7/15/2016	1,098,143
Freddie Mac	6/13/2018	1,136,021
Fannie Mae	8/28/2014	2,002,462
Fannie Mae	9/18/2018	446,211
Federal Farm Credit Bank	12/02/2020	1,763,372
		<u>\$ 7,584,528</u>

Interest Rate Risk – 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 increased interest rates.

Credit Risk – Statutes authorize the County to invest in obligations of the State of Georgia, other states, or the United States Government; obligations fully insured or guaranteed by the United States Government or an agency or corporation of the United States Government; and/or repurchase agreements and certificates of deposit which are secured by direct obligations of Georgia or the investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard and Poor’s and AAA by Moody’s Investors Service.

Custodial Credit Risk – For an investment, custodial credit risk 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. The County had no policy on custodial credit risk. As of June 30, 2014, all of the deposits of the County were properly insured and collateralized as required by the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c) and as defined by GASB pronouncements.

Concentration of Credit Risk – The County places no limit on the amount that the County may invest in any one issuer.

4. PROPERTY TAXES

The value of all real and business personal property located in the County is assessed (appraised) as of each January 1. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the County Commissioners. Appraised values are established by the Washington County Tax Assessors at 40% of estimated fair market value. Taxes were levied when the mileage rate was set on or about September 3, 2012. Taxes were billed on or about September 21, 2011 and were due December 10, 2012 after which date penalties and interest were assessed. Property on which taxes are not paid within 60 days of mailing may then be levied on by the County. Current tax collections for the years ended June 30, 2014, were 99.5% of the tax levy.

Property taxes are recorded as receivables and deferred at the time the tax levy is billed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible within sixty days following the close of the fiscal year, and therefore susceptible to accrual in accordance with GAAP have been recognized as revenue.

5. ACCOUNTS RECEIVABLE

At June 30, 2014, accounts receivable consisted of the following:

	Governmental Activities	Business-type Activities	Total
General Fund:			
Property tax	\$ 122,968	\$ -	\$ 122,967
Local option sales tax	247,728	-	247,728
Miscellaneous	15,086	-	15,086
Capital Projects Fund (2009):			
Due from Georgia DOT	64,691	-	64,691
Special local option sales tax	470,168	-	470,168
Transportation Fund:			
Special local option sales tax	226,553	-	226,553
2011 CDBG Fund:			
Miscellaneous	1,058	-	1,058
Capital Projects Fund (2005):			
Miscellaneous	2,400	-	2,400
Emergency 911 Telephone Fund:			
Intergovernmental	36,515	-	36,515
Landfill Fund:			
Landfill fees	-	8,307	8,307
	1,187,166	8,307	1,195,473
Allowance for doubtful accounts	(28,958)	-	(28,958)
	<u>\$ 1,158,208</u>	<u>\$ 8,307</u>	<u>\$ 1,166,515</u>

6. CAPITAL ASSETS AND DEPRECIATION

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Not being depreciated:				
Land	\$ 963,815		\$ -	\$ 963,815
Construction-in-progress	568,110	680,867	(80,629)	1,168,348
Subtotal	1,531,925	680,867	(80,629)	2,132,163
Other capital assets:				
Infrastructure	17,358,627	-	-	17,358,627
Buildings & land improvements	17,880,772	165,730	-	18,046,502
Equipment	9,658,374	466,272	(26,036)	10,098,610
Subtotal	46,429,698	1,312,869	(106,665)	47,635,902
Accumulated depreciation:				
Infrastructure	5,186,888	401,142	-	5,588,030
Buildings & land improvements	3,932,026	444,603	-	4,376,629
Equipment	4,846,856	498,796	(18,597)	5,327,055
Subtotal	13,965,770	1,344,541	(18,597)	15,291,714
Net capital assets	\$ 32,463,928	\$ (31,672)	\$ (88,068)	\$ 32,344,188
Business-type activities:				
Not being depreciated:				
Land	\$ 2,948,503	\$ -	\$ -	\$ 2,948,503
Construction-in-progress	153,916	15,182	-	169,098
Subtotal	3,102,419	15,182	-	3,117,601
Other capital assets:				
Buildings & land improvements	48,061	-	-	48,061
Equipment	2,004,732	-	-	2,004,732
Subtotal	5,155,212	15,182	-	5,170,394
Accumulated depreciation:				
Buildings & land improvements	20,399	1,581	-	21,980
Equipment	1,721,206	36,030	-	1,757,236
Subtotal	1,741,605	37,611	-	1,779,216
Net capital assets	\$ 3,413,607	\$ (22,429)	\$ -	\$ 3,391,178

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 321,460
Judicial	5,490
Public safety	262,772
Public works	664,897
Health and welfare	18,453
Culture/recreation	71,469
	<u>\$ 1,344,541</u>

7. CHANGES IN GENERAL CAPITAL ASSETS - DISCRETELY PRESENTED COMPONENT UNIT

Changes in equipment of the Washington County Health Department are detailed below:

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets being depreciated:				
Equipment	\$ 75,775	\$ 15,961	\$ (6,357)	\$ 85,379
Less accumulated depreciation	(71,863)	(2,104)	6,356	(67,611)
Net capital assets	<u>\$ 3,912</u>	<u>\$ 13,857</u>	<u>\$ (1)</u>	<u>\$ 17,768</u>

8. COMPENSATED ABSENCES

Following is a summary of changes in compensated absences for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Amount Due in One Year
Governmental type activities:					
Compensated absences	\$113,025	\$ -	\$ (35,539)	\$ 77,486	\$ 77,486
Business type activities:					
Compensated absences	\$ 7,042	\$ 198	\$ -	\$ 7,240	\$ 7,240
Discretely presented component unit:					
Compensated absences	\$ 31,485	\$ 25,042	\$ (18,440)	\$ 38,087	\$ 5,165

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

9. CLOSURE AND POST-CLOSURE COSTS

Following is a summary of changes in closure and post-closure accrued costs for the year ended June 30, 2014:

	Balance June 30, 2013	Increases	Retirements	Adjustments	Balance June 30, 2014	Amount Due Within One Year
Business-type Activities:						
Fund closure and post-closure accrued costs	\$1,343,499	\$42,809	\$ -	\$ -	\$1,386,308	\$ -

10. SEGMENT INFORMATION - ENTERPRISE FUNDS

The County maintains only one Enterprise Fund, the Landfill Fund, therefore segment reporting is not applicable.

11. FUND DEFICITS

No fund had a deficit fund balance or net asset balance at June 30, 2014.

12. INTERFUND TRANSACTIONS AND BALANCES

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

	Transfers From		
	E911 Fund	Transportation Fund	Landfill Fund
Transfers to:			
General Fund	\$ 151,746	\$ 482,971	\$ 210,370
	<u>\$ 151,746</u>	<u>\$ 482,971</u>	<u>\$ 210,370</u>

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

Balances due to/from other funds at June 30, 2014, consist of the following -

	Due From	Due To
2011 CDBG Fund	\$ 500	\$ -
Capital Projects Fund (2009)	24,317	-
Transportation Fund	1,000	-
General Fund	-	25,817
	<u>\$ 25,817</u>	<u>\$ 25,817</u>

The outstanding balances due to the General Fund result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

All amounts due to the General Fund are expected to be repaid during fiscal year 2014.

13. CONTINGENT LIABILITIES - LITIGATION

Amounts expended or payable from federal grantor agencies are subject to audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the County. In the opinion of County management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially effect the County's financial position.

The County and the City of Sandersville are equal guarantors on a Washington County Development Authority \$2,300,000 revenue bond for purchase of an industrial building, in the event the Authority has insufficient funds to service the debt.

The County and the City of Sandersville are equal guarantors on a Washington County Development Authority \$7,342,000 revenue bond for purchase of an industrial building, in the event the Authority has insufficient funds to service the debt.

The County is the guarantor on a Washington County Development Authority \$1,978,000 revenue bond for purchase of an industrial building, in the event the Authority has insufficient funds to service the debt.

The County and the City of Sandersville are equal guarantors on a Washington County Public Facilities Authority \$3,612,000 revenue bond for purchase of an industrial building, in the event the Authority has insufficient funds to service the debt.

The County is the guarantor on a Washington County Public Facilities Authority \$16,690,000 revenue bond for construction of a new jail, in the event the Authority has insufficient funds to service the debt. Repayment of the bonds are being funded for the first six years by a 1% special local option sales tax.

14. RETIREMENT BENEFITS

The following pension and retirement plans are in effect but are not under the direct control of the County:

Probate Judge's Retirement Fund of Georgia

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

Clerk of Superior Court Retirement Fund

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

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

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

Defined Benefit Pension Plan

The following information is as of December 31, 2013, the most recent year end of the described benefit pension plan.

A. Plan Description

The County contributes to the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agency for participating counties in Georgia. The County's payroll for employees participating in the Plan as of December 31, 2013 (the most recent actuarial valuation date) was \$2,768,413 (based on W-2 earnings for the preceding year). The County's total payroll was \$4,701,794. There were no changes in plan provisions valued, cost methods, benefits or actuarial assumptions from the preceding year.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at the earlier of: a) age 65 with 3 years of participation in the Plan or b) the combination of years of service and attained age equal to 80 with a minimum age of 58. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 2.25% of average annual compensation plus \$36 for each year of service payable as a life annuity. Service is limited to 30 years. Compensation is averaged over a five year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

In order to participate in the Plan, employees are required to contribute 8% of pay. The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans. Administrative expenses are based on total covered payroll of plan members and are added to the annual funding requirement.

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

B. Summary of Plan Asset Matters and Accounting Principles

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 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 45% equities and 55% 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.

C. Funded Status and Progress

The amount shown below as the "Actuarial Value of Plan Assets" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funded status of the Plan on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the Plan.

The actuarial accrued liability (projected to June 30, 2014) was computed as part of an actuarial valuation as of December 31, 2013. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 6.0% per year compounded annually, (c) expected annual inflation of 3.0% and (d) no post-retirement benefit increases. The actuarial value of assets equates market value. The amortization method used is the level dollar amount and the amortization period is closed for the current plan year.

Total unfunded actuarial accrued liability applicable to County employees was \$2,099,384 at December 31, 2013, as follows:

Actuarial accrued liability:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 4,050,999
Current employees:	
Employer-financed vested	4,394,887
Employer-financed non-vested	<u>904,215</u>
Total present value of accrued benefits	9,350,101
Effect of future salary increases	<u>1,308,739</u>
Total actuarial accrued liability	10,658,840
Actuarial Value of Plan Assets, at market (including expected receivables)	<u>(8,559,456)</u>
Unfunded actuarial accrued liability	<u><u>\$ 2,099,384</u></u>

D. Contributions Required and Contributions Made

ACCG Plan funding policy provides for making required actuarially determined periodic contributions under the "Projected Unit Credit" actuarial cost method. This cost method determines plan liabilities consistent with the standardized measure of pension obligation described by Statement No. 25 of the Governmental Accounting Standards Board. In addition, this cost method determines contributions at rates that, for individual employees, increase gradually as an employee gets older, and enable sufficient assets to accumulate when benefits become due. Any excess of the actuarial accrued liability ("AAL") as of January 1, 1988 over the Plan's assets as of that date is amortized over closed periods on a two-tier basis as follows: a) if the value of benefits accumulated as of January 1, 1988 (based on current salary history, not projected) exceeds the Plan's assets, that excess is amortized over ten years, beginning January 1, 1988; plus b) the additional unfunded AAL as of January 1, 1988 is amortized over 30 years, beginning January 1, 1988.

For January 1, 1989 and later valuations three additional amortization amounts may apply; c) the amortization of the change in AAL attributable to Plan amendments over 20 years, beginning on the effective date of the amendment; plus d) the amortization of the cumulative difference between the actual calculated unfunded AAL as of the valuation date and the expected unfunded AAL (based on the actuarial assumptions used for funding purposes) over 15 years; plus e) the amortization of the change in unfunded AAL resulting from changes in actuarial assumptions over 30 years.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the actuarial accrued liability as described in C. above.

E. Historical Trend Information

Historical trend information, designed to provide information about a public employee retirement system's progress made in accumulating sufficient assets to pay benefits when due, is presented as follows:

The required three-year historical information is as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarial value of plan assets as a percentage of actuarial accrued liability	74%	74%	72%
Unfunded (Funded) actuarial accrued liability as a percentage of annual covered payroll	102%	104%	107%
Employer contributions as a percentage of annual covered payroll	23%	23%	20%
Annual pension cost	\$610,195	\$624,794	\$624,020
Percentage of annual pension cost contributed	100%	100%	100%
Net pension obligation	\$ -	\$ -	\$ -

Analysis of Funding Progress

Fiscal Year	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded	Annual Covered Payroll (prior year)	Unfunded
				Actuarial Accrued Liability (AL) (2) - (1)		AL as Percentage of Covered Payroll
2004	\$2,851,128	\$3,859,802	73.9%	\$1,008,674	\$2,299,604	43.9%
2005	3,315,758	4,330,708	76.6%	1,014,950	2,295,627	44.2%
2006	3,851,940	4,795,839	80.3%	943,899	2,546,568	37.1%
2007	4,516,019	6,028,621	74.9%	1,512,602	3,097,309	48.8%
2008	4,760,801	6,643,115	71.7%	1,882,315	3,148,138	59.8%
2009	5,381,725	7,333,885	73.4%	1,952,160	2,757,857	70.8%
2010	6,045,930	8,249,490	73.3%	2,203,560	3,051,978	72.2%
2011	6,728,381	9,411,373	71.5%	2,682,992	2,865,734	93.6%
2012	7,459,318	10,155,350	73.5%	2,696,032	2,611,711	103.2%
2013	8,559,456	10,658,840	80.3%	2,099,384	2,631,000	79.8%

Analysis of the dollar amounts of actuarial value of plan assets, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of plan assets as a percentage of the actuarial accrued liability provides one indication of funding 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.

Revenues by Source and Expenses by Type
Revenues by Source

Fiscal Year	Employer Contribution	Employee Contribution	Investment Income	Recoveries	Total
2004	\$193,590	\$ 83,817	\$ 293,648	\$ 0	\$ 571,055
2005	244,156	86,290	145,453	0	475,899
2006	267,421	94,293	228,816	0	590,530
2007	375,051	96,794	368,399	0	840,244
2008	429,145	101,246	325,544	0	855,935
2009	491,644	191,734	(810,212)	0	(126,834)
2010	548,970	177,298	576,101	0	1,302,369
2011	584,520	169,023	47,899	0	801,442
2012	624,794	167,852	667,528	0	1,460,174
2013	610,195	184,170	1,272,541	0	2,066,906

Expenses by Type

Fiscal Year	Retirement Benefits	Administrative Expenses*	Refunds	Total
2004	\$120,552	\$12,846	\$ 9,073	\$142,471
2005	175,064	13,010	15,291	203,365
2006	151,555	14,348	3,813	169,716
2007	171,362	14,330	16,146	201,838
2008	181,284	17,938	3,502	202,724
2009	238,764	18,167	28,363	285,294
2010	346,086	17,734	38,991	402,811
2011	300,842	16,896	69,304	387,042
2012	345,946	15,753	4,006	365,705
2013	444,804	15,840	5,859	466,503

*Administrative expenses include fees associated with actuarial, accounting and administrative services. Contributions were made in accordance with actuarially determined contribution requirements. Contributions made during a particular year are attributable to the prior Plan year.

To obtain a copy of the financial report for the ACCG pension plan, write to the following address:

ACCG
50 Hurt Place,
Suite 1000
Atlanta, GA 30303

15. LANDFILL CLOSURE AND POSTCLOSURE COSTS

The County opened a new solid waste landfill in December 1993. State and federal regulations will require the County to place a final cover on the landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the County will report a portion of these closure and postclosure care costs as an expenditure in each period based on landfill capacity used as of each balance sheet date.

The State has estimated that for every cubic yard of waste accepted in the landfill, \$1.00 will be required to be contributed to a trust fund to finance closure and postclosure care. The accrual for waste accepted December 1993 to June 30, 2014, shown in the Landfill Enterprise Fund, is \$1,386,308, (39.2% of total estimated closure and post-closure costs of \$3,540,113) an increase of \$42,809 from June 30, 2013.

The estimated total current cost of closure and postclosure care remaining to be recognized, based on the \$1.00 per cubic yard and estimated annual volume, is \$2,153,805.

The landfill capacity used to date is estimated at 39.2%, and the remaining landfill life is 32 years.

Due to changes in technology, laws or regulations the above cost estimates may change in the future.

16. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors of omissions, job related illnesses or injuries to employees; natural disaster; and unemployment compensation.

The County is a member of Association County Commissioners of Georgia Interlocal Risk Management Agency (ACCG-IRMA), through which it shares liability, crime, motor vehicles and property damage risks. Coverages are as follows:

Property:	
Building and contents	\$25,820,178
Automobile physical damage and mobile equipment	Per Schedule on File with ACCG-IRMA
Casualty:	
Comprehensive general liability and law enforcement liability	\$3,000,000
Automobile liability	\$3,000,000
Public officials error and omission liability	\$3,000,000
Employee benefits liability	\$3,000,000
Crime:	
Blanket bond	Per State Law or Local Ordinance
Depositors forgery	\$ 150,000
Money and securities (inside and outside premises)	\$ 150,000 each
Deductible:	
Per occurrence or claim	\$ 25,000
Coverage Exceptions:	
Retroactive date to which coverage exception are subject	January 12, 1988

The Association County Commissioners of Georgia Interlocal Risk Management was created pursuant to Chapter 85 of Title 36 of the Official Code of Georgia Annotated to function as an unincorporated nonprofit instrumentality of its member counties. ACCG-IRMA was established to administer one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of county governments. It also exists to defend and protect, in accordance with each member government contract, ACCG-IRMA members against liability or loss.

The County is obligated as follows under the intergovernmental contract of ACCG-IRMA:

- To participate at all times in at least one Fund which is established by the Board
- To pay all contributions, assessments or other sums due to ACCG-IRMA at such times and in such amounts as shall be established by the Board
- To select a person to serve as a Member representative
- To allow the Board and its agents reasonable access to all facilities of the Member and all records, including but not limited to financial records, which relate to the purposes of ACCG-IRMA
- To allow attorneys appointed by ACCG-IRMA to represent the Member in investigation, settlement discussions and all levels of litigation arising out of any claim made against a Member within the scope of loss protection furnished by the Fund or Funds established by ACCG-IRMA
- To assist and cooperate in the defense and settlement of claims against the Member
- To furnish full cooperation to ACCG-IRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of ACCG-IRMA relating to the purposes of ACCG-IRMA
- To follow all loss reduction and prevention procedures established by ACCG-IRMA
- To furnish to ACCG-IRMA such budget, operating and underwriting information as may be requested by the Board
- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in ACCG-IRMA or any Fund established by ACCG-IRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the Member participates

The County retains the first \$25,000 of each risk of loss in the form of a deductible. The County files all claims with ACCG-IRMA who then bills the County for any risk loss up to the \$25,000 deductible.

The basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary.

The County has not compiled a record of the claims paid up to the applicable deductible for the current fiscal year. The County is aware of four claims which the County is liable for (up to the applicable deductible) which were outstanding and unpaid at June 30, 2014. No provision has been made in the financial statements for the year ended June 30, 2014, for any estimate of potential unpaid claims.

The County is self-insured with regard to unemployment compensation claims. The County accounts for claims with expenditures and liabilities being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The County has paid \$4,084 of claims related to unemployment compensation in the past three years.

For its workers' compensation coverage, the County is a participant in the Association County Commissioners Self-Insurance Fund (the Fund), a public entity risk pool

operated for the benefit of county government units located in Georgia. The County's General Fund pays an annual premium to the Fund for this coverage. The Fund provides excess insurance coverage for protection of members against excess losses and initial excess coverage is statutory specific and unlimited aggregate accounts. Government members of the Fund are jointly and severally liable for claims not covered by the Fund.

17. OTHER POSTEMPLOYMENT BENEFITS

In accordance with GASB 45 requirements, the County is required to attribute the cost of postretirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a postretirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements have been implemented by the County for the year ended June 30, 2014. The County has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the plan as of June 30, 2014.

The County provides postretirement health care benefits, as per the requirements of a resolution for certain retirees. The provisions and obligations to contribute are established and may be amended by the Washington County Board of Commissioners. To be eligible to continue in the County's Group Health Insurance Plan, an employee of elected official has to have participated in the County's Health Insurance Program for at least sixteen years prior to retirement. The County will pay the total premium cost of the first year after retirement. The retiree must then begin paying his/her share of the premium cost at the beginning of the second year of retirement. As the premiums increase, the retiree's portion of the premium is expected to remain unchanged. Currently, four employees are enrolled in postretirement health care benefits. These postretirement benefits are funded on a pay-as-you-go basis. In 2014, the net cost of premiums for providing postretirement benefits for retirees was \$47,403.

Membership

The following schedule (derived from the most recent actuarial report) reflects membership for the OPEB Health Care Plan as of January 1, 2012.

Active members	104
Retired members	4
	<u>108</u>

Contributions

The County contributed \$26,917 to the OPEB Health Care Plan in fiscal year 2014. The annual required contribution amount is determined using actuarial methods and assumptions approved by the County Commissioners. The Commissioners established and may amend the funding policy for the OPEB Health Care Plan.

Schedule of Employer Costs and Contributions

Fiscal Year	Annual Required Contribution/ Annual OPEB Cost	Actual County Contribution	Percentage of AOC Contributed	Net OPEB Obligation End of Year
2010	\$437,265	\$ 52,696	12.1%	\$384,569
2011	437,265	28,175	6.4%	793,659
2012	99,598	35,710	35.9%	857,547
2013	99,598	26,917	27.0%	930,228
2014	99,598	47,403	47.6%	982,423

Components of Net OPEB Obligation:

Annual Required Contribution	\$ 98,866
Interest on Net OPEB Obligation	16,364
Adjustment to Annual Required Contribution	<u>(15,632)</u>
Annual OPEB Cost	99,598
Contributions Made	<u>47,403</u>
Increase in Net OPEB Obligation	52,195
Net OPEB Obligation, beginning of year	<u>930,228</u>
Net OPEB Obligation, end of year	<u><u>\$ 982,423</u></u>

As of the most recent valuation date, January 1, 2012, the funded status of the OPEB Health Care Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Ratio	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
01/01/10	\$ -	\$4,396,529	\$4,396,529	-%	\$3,388,291	129.76%
01/01/11	-	1,177,104	1,177,104	-%	3,222,148	36.53%
01/01/12	-	1,177,104	1,177,104	-%	3,222,148	36.53%
1/1/12	-	1,177,104	1,177,104	-%	3,222,148	36.53%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at January 1, 2012. The assumptions used in the January 1, 2012 actuarial valuations are as follows:

Basis of Valuation

Current Valuation Date	January 1, 2012
Actuarial Cost Method	Projected unit credit
Actuarial Asset Valuation Method	Market value of assets
Assumed Rate of Return on Investments	4.00%
Medical Cost Trend Rate	10.50% - 5.00%
Year of Ultimate Medical Cost Trend Rate	2017
Amortization Method	Level percentage of pay, open
Remaining Amortization Period	30 years
Payroll Inflation Rate	3.0%

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 the techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

18. JOINT VENTURE

Under Georgia law, the County in conjunction with other cities and counties in the fourteen county east central Georgia area, is a member of the Central Savannah River Area Regional Commission and is required to pay annual dues thereto. During its year ended June 30, 2014, the County paid \$11,188 in such dues. Membership in a Regional Commission is required by the OCGA Section 50-8-34 which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

Central Savannah River Area Regional Commission
2123 Wrightsboro Road
P.O. Box 2800
Augusta, Georgia 30914-2800

19. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 4, 2014, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedules - General Fund, Emergency 911 Telephone Special Revenue Fund and Transportation Special Revenue Fund

WASHINGTON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
General property taxes	\$ 6,135,851	\$ 6,256,851	\$ 6,594,546	\$ 337,695
General sales and use tax	1,552,000	1,552,000	1,465,734	(86,266)
Selective sales and use tax	48,500	48,500	34,788	(13,712)
Title ad valorem tax	75,000	110,000	382,912	272,912
Business tax	490,300	499,622	499,622	-
Other taxes	348,400	348,400	303,565	(44,835)
Penalties and interest on delinquent taxes	57,700	57,700	47,091	(10,609)
	<u>8,707,751</u>	<u>8,873,073</u>	<u>9,328,258</u>	<u>455,185</u>
Licenses and Permits:				
Business licenses and permits	54,750	54,750	47,654	(7,096)
Non-business licenses and permits	-	-	11,292	11,292
	<u>54,750</u>	<u>54,750</u>	<u>58,946</u>	<u>4,196</u>
Intergovernmental:				
State grants	6,600	6,600	-	(6,600)
Local government grants:				
Recreation	47,260	47,260	55,010	7,750
Airport	1,900	1,900	1,836	(64)
	<u>55,760</u>	<u>55,760</u>	<u>56,846</u>	<u>1,086</u>
Charges for services:				
General government	2,900	2,900	40,725	37,825
Prisoner housing	134,100	134,100	43,279	(90,821)
Roads and public improvements	6,200	6,200	7,736	1,536
	<u>143,200</u>	<u>143,200</u>	<u>91,740</u>	<u>(51,460)</u>
Fees and fines:				
Superior Court	28,100	28,100	68,000	39,900
State Court	126,700	126,700	113,478	(13,222)
Probate Court	27,000	27,000	37,884	10,884
Clerk of Courts	168,200	168,200	122,836	(45,364)
Magistrate Court	141,400	141,400	106,985	(34,415)
Sheriff	119,100	119,100	171,699	52,599
Qualifying fees	-	-	1,225	1,225
	<u>610,500</u>	<u>610,500</u>	<u>622,107</u>	<u>11,607</u>
Investment income:				
Interest earned	66,000	76,000	60,813	(15,187)
Miscellaneous:				
Rent	165,646	165,646	21,129	(144,517)
Other	10,100	55,100	281,751	226,651
	<u>175,746</u>	<u>220,746</u>	<u>302,880</u>	<u>82,134</u>
Total revenues	<u>9,813,707</u>	<u>10,034,029</u>	<u>10,521,590</u>	<u>487,561</u>

WASHINGTON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Current Operating:				
General government	\$ 3,652,459	\$ 3,741,970	\$ 3,564,633	\$ 177,337
Public safety	2,655,450	2,692,050	2,576,588	115,462
Judicial	1,076,820	1,086,420	1,042,484	43,936
Public works	1,844,300	1,847,000	1,819,595	27,405
Health and welfare	355,360	355,360	352,902	2,458
Culture/recreation	541,552	544,752	513,466	31,286
Total operating expenditures	<u>10,125,941</u>	<u>10,267,552</u>	<u>9,869,668</u>	<u>397,884</u>
Capital Outlays:				
General government	14,770	7,970	5,523	2,447
Public safety	65,000	65,000	60,754	4,246
Judicial	-	-	-	-
Public works	-	31,660	31,655	5
Health and welfare	-	-	-	-
Culture/recreation	-	-	1,771	(1,771)
Total capital expenditures	<u>79,770</u>	<u>104,630</u>	<u>99,703</u>	<u>4,927</u>
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>10,205,711</u>	<u>10,372,182</u>	<u>9,969,371</u>	<u>402,811</u>
Excess (deficiency) of revenues over expenditures	<u>(392,004)</u>	<u>(338,153)</u>	<u>552,219</u>	<u>890,372</u>
OTHER FINANCING SOURCES (USES):				
Interfund transfers:				
Transportation SPLOST Fund	645,000	645,000	482,971	(162,029)
Emergency 911 Telephone Fund	(46,760)	(46,760)	151,746	198,506
Landfill Fund	(110,454)	(110,454)	210,370	320,824
	<u>487,786</u>	<u>487,786</u>	<u>845,087</u>	<u>357,301</u>
Excess (deficiency) of revenues over expenditures and other financing sources	95,782	149,633	1,397,306	1,247,673
FUND BALANCE, beginning of year	<u>8,195,698</u>	<u>8,195,698</u>	<u>8,195,698</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 8,291,480</u>	<u>\$ 8,345,331</u>	<u>\$ 9,593,004</u>	<u>\$ 1,247,673</u>

WASHINGTON COUNTY, GEORGIA
 EMERGENCY 911 TELEPHONE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP) BASIS AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services:				
E-911 fees	\$ 398,700	\$ 398,700	\$ 328,910	\$ (69,790)
Intergovernmental:				
Contribution from cities	135,440	135,440	151,131	15,691
State grants	-	-	11,274	11,274
Investment income:				
Interest earned	-	-	-	-
Other	-	-	-	-
	<u>534,140</u>	<u>534,140</u>	<u>491,315</u>	<u>(42,825)</u>
EXPENDITURES:				
Current operating:				
Personal services and employee benefits	458,700	458,700	447,371	11,329
Purchased/contracted services	116,900	116,900	157,471	(40,571)
Supplies	5,300	5,300	7,113	(1,813)
Capital outlays	-	-	3,145	(3,145)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
	<u>580,900</u>	<u>580,900</u>	<u>615,100</u>	<u>(34,200)</u>
Excess revenues over (under) expenditures	<u>(46,760)</u>	<u>(46,760)</u>	<u>(123,785)</u>	<u>(77,025)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>46,760</u>	<u>46,760</u>	<u>(151,746)</u>	<u>(198,506)</u>
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	(275,531)	(275,531)
FUND BALANCE, beginning of year	<u>775,371</u>	<u>775,371</u>	<u>775,371</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 775,371</u>	<u>\$ 775,371</u>	<u>\$ 499,840</u>	<u>\$ (275,531)</u>

WASHINGTON COUNTY, GEORGIA
TRANSPORTATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 1,290,000	\$ 1,290,000	\$ 1,477,924	\$ 187,924
Intergovernmental	650,000	650,000	625,237	(24,763)
	<u>1,940,000</u>	<u>1,940,000</u>	<u>2,103,161</u>	<u>163,161</u>
 EXPENDITURES:				
Current operating:				
Transportation improvements	1,295,000	1,295,000	1,189,169	105,831
Capital outlays	-	-	-	-
	<u>1,295,000</u>	<u>1,295,000</u>	<u>1,189,169</u>	<u>105,831</u>
 Excess revenues over (under) expenditures	<u>645,000</u>	<u>645,000</u>	<u>913,992</u>	<u>268,992</u>
 OTHER FINANCING SOURCES (USES)				
Transfers to General Fund	<u>(645,000)</u>	<u>(645,000)</u>	<u>(482,971)</u>	<u>162,029</u>
 Excess revenues and other financing sources (uses) over (under) expenditures	-	-	431,021	431,021
 FUND BALANCE, beginning of year	<u>951,060</u>	<u>951,060</u>	<u>951,060</u>	<u>-</u>
 FUND BALANCE, end of year	<u>\$ 951,060</u>	<u>\$ 951,060</u>	<u>\$ 1,382,081</u>	<u>\$ 431,021</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements not required by the GASB, nor are a part of the basic financial statements, but are presented for purposes of additional analysis. Such information includes:

- Combining Statements – Nonmajor governmental funds
- Combining Statements – Fiduciary funds
- General Fund Statement of Expenditures (Final Budget to Actual) Detailed by Department
- Schedule of Projects Constructed with Special Sales Tax Proceeds
- Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Schedule of Findings and Questioned Costs

WASHINGTON COUNTY, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

	SPECIAL REVENUE			Capital Projects Fund (2005)	Total Nonmajor Governmental Funds
	Recreation	Law Library	2011 CDBG		
ASSETS:					
Cash and cash equivalents	\$ 8,733	\$ 40,804	\$ 500	\$ 28,458	\$ 78,495
Investments	-	-	-	446,211	446,211
Receivables from other governments	-	-	1,058	-	1,058
Accounts receivables, net	-	-	-	2,400	2,400
Inventories	77,234	-	-	-	77,234
Total assets	\$ 85,967	\$ 40,804	\$ 1,558	\$ 477,069	\$ 605,398
LIABILITIES:					
Accounts payable	\$ 6,079	\$ -	\$ -	\$ -	\$ 6,079
Due to other funds	-	-	500	-	500
Total liabilities	6,079	-	500	-	6,579
FUND BALANCES:					
Non-spendable fund balance:					
Inventory	77,234	-	-	-	77,234
Restricted fund balance:					
Capital projects	-	-	1,058	477,069	478,127
Transportation	-	-	-	-	-
Committed fund balance	-	-	-	-	-
Assigned fund balance:					
Public safety	-	40,804	-	-	40,804
Culture and recreation	2,654	-	-	-	2,654
Unassigned fund balance	-	-	-	-	-
Total fund balances	79,888	40,804	1,058	477,069	598,819
Total liabilities and fund balance	\$ 85,967	\$ 40,804	\$ 1,558	\$ 477,069	\$ 605,398

WASHINGTON COUNTY, GEORGIA
 STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE			Capital Projects Fund (2005)	Total Nonmajor Governmental Funds
	Recreation	Law Library	2011 CDBG		
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	49,500	9,708	375,706	-	434,914
Charges for services	47,655	-	-	-	47,655
Other	23,766	-	-	(299)	23,467
Total revenues	<u>120,921</u>	<u>9,708</u>	<u>375,706</u>	<u>(299)</u>	<u>506,036</u>
EXPENDITURES:					
Current operating:					
Culture/recreation	144,010	-	-	-	144,010
Court system	-	6,020	-	-	6,020
Transportation improvements	-	-	-	-	-
Capital outlays	-	-	374,648	27,873	402,521
Debt service	-	-	-	-	-
Total expenditures	<u>144,010</u>	<u>6,020</u>	<u>374,648</u>	<u>27,873</u>	<u>552,551</u>
Excess (deficiency) of revenues over expenditures	<u>(23,089)</u>	<u>3,688</u>	<u>1,058</u>	<u>(28,172)</u>	<u>(46,515)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in (out)	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(23,089)	3,688	1,058	(28,172)	(46,515)
FUND BALANCE, beginning	<u>102,977</u>	<u>37,116</u>	<u>-</u>	<u>505,241</u>	<u>645,334</u>
FUND BALANCE, ending	<u>\$ 79,888</u>	<u>\$ 40,804</u>	<u>\$ 1,058</u>	<u>\$ 477,069</u>	<u>\$ 598,819</u>

WASHINGTON COUNTY, GEORGIA
RECREATION DEPARTMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services:				
Recreation fees	\$ 43,000	\$ 43,000	\$ 47,655	\$ 4,655
Intergovernmental:				
Contribution from County	49,500	49,500	49,500	-
Other income	45,000	45,000	23,766	(21,234)
Total revenue	<u>137,500</u>	<u>137,500</u>	<u>120,921</u>	<u>(16,579)</u>
EXPENDITURES:				
Current operating:				
Personal services and employee benefits	11,000	11,000	263	10,737
Purchased/contracted services	81,500	81,500	101,529	(20,029)
Supplies	40,000	40,000	42,218	(2,218)
Capital outlays	5,000	5,000	-	5,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>137,500</u>	<u>137,500</u>	<u>144,010</u>	<u>(6,510)</u>
Excess revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(23,089)</u>	<u>(23,089)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues and other financing sources (uses) over (under) expenditures	<u>-</u>	<u>-</u>	<u>(23,089)</u>	<u>(23,089)</u>
FUND BALANCE, beginning of year	<u>102,977</u>	<u>102,977</u>	<u>102,977</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 102,977</u>	<u>\$ 102,977</u>	<u>\$ 79,888</u>	<u>\$ (23,089)</u>

WASHINGTON COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 14,500	\$ 14,500	\$ 9,708	\$ (4,792)
Other	500	500	-	(500)
	<u>15,000</u>	<u>15,000</u>	<u>9,708</u>	<u>(5,292)</u>
EXPENDITURES:				
Current operating:				
Purchased/contracted services	2,000	2,000	-	2,000
Supplies	12,000	12,000	6,020	5,980
Capital outlays	1,000	1,000	-	1,000
	<u>15,000</u>	<u>15,000</u>	<u>6,020</u>	<u>8,980</u>
Excess revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,688</u>	<u>3,688</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues and other financing sources (uses) over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,688</u>	<u>3,688</u>
FUND BALANCE, beginning of year	<u>37,116</u>	<u>37,116</u>	<u>37,116</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 37,116</u>	<u>\$ 37,116</u>	<u>\$ 40,804</u>	<u>\$ 3,688</u>

WASHINGTON COUNTY, GEORGIA
 2011 COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP) BASIS AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenue	\$ 375,706	\$ 375,706	\$ 375,706	\$ -
Other income	-	-	-	-
	<u>375,706</u>	<u>375,706</u>	<u>375,706</u>	<u>-</u>
EXPENDITURES:				
Current operating expenditures	-	-	-	-
Capital outlays	374,648	374,648	374,648	-
	<u>374,648</u>	<u>374,648</u>	<u>374,648</u>	<u>-</u>
Total expenditures	<u>374,648</u>	<u>374,648</u>	<u>374,648</u>	<u>-</u>
Excess revenues over (under) expenditures	<u>1,058</u>	<u>1,058</u>	<u>1,058</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues and other financing sources (uses) over (under) expenditures	<u>1,058</u>	<u>1,058</u>	<u>1,058</u>	<u>-</u>
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$ 1,058</u></u>	<u><u>\$ 1,058</u></u>	<u><u>\$ 1,058</u></u>	<u><u>\$ -</u></u>

WASHINGTON COUNTY, GEORGIA
 FIDUCIARY FUNDS - AGENCY FUNDS
 COMBINING STATEMENT OF NET POSITION
 June 30, 2014

	Tax Commissioner	Probate Court	Clerk of Courts	Sheriff	Magistrate Court	Total
ASSETS						
Cash	\$ 88,106	\$ 10,985	\$ 396,240	\$ 73,687	\$ -	\$ 569,018
Property taxes receivable	143,423	-	-	-	-	143,423
Other receivables	-	1,840	-	-	-	1,840
Total assets	<u>\$ 231,529</u>	<u>\$ 12,825</u>	<u>\$ 396,240</u>	<u>\$ 73,687</u>	<u>\$ -</u>	<u>\$ 714,281</u>
LIABILITIES:						
Due to others	\$ -	\$ 10,805	\$ 396,240	\$ 73,687	\$ -	\$ 480,732
Due to other governments	231,529	2,020	-	-	-	233,549
Total liabilities	<u>\$ 231,529</u>	<u>\$ 12,825</u>	<u>\$ 396,240</u>	<u>\$ 73,687</u>	<u>\$ -</u>	<u>\$ 714,281</u>

WASHINGTON COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
TAX COMMISSIONER				
ASSETS:				
Cash	\$ 109,038	\$ 21,284,055	\$ 21,304,987	\$ 88,106
Property taxes receivable	293,344	21,793,114	21,943,035	143,423
Other receivables	-	-	-	-
Total revenue	<u>\$ 402,382</u>	<u>\$ 43,077,169</u>	<u>\$ 43,248,022</u>	<u>\$ 231,529</u>
LIABILITIES:				
Due to others	\$ -	\$ -	\$ -	\$ -
Due to other governments	402,382	15,189,992	15,360,845	231,529
	<u>\$ 402,382</u>	<u>\$ 15,189,992</u>	<u>\$ 15,360,845</u>	<u>\$ 231,529</u>
PROBATE COURT				
ASSETS:				
Cash	\$ 17,664	\$ 60,478	\$ 67,157	\$ 10,985
Property taxes receivable	-	-	-	-
Other receivables	2,534	-	694	1,840
Total revenue	<u>\$ 20,198</u>	<u>\$ 60,478</u>	<u>\$ 67,851</u>	<u>\$ 12,825</u>
LIABILITIES:				
Due to others	\$ 14,376	\$ 25,634	\$ 29,205	\$ 10,805
Due to other governments	5,822	-	3,802	2,020
	<u>\$ 20,198</u>	<u>\$ 25,634</u>	<u>\$ 33,007</u>	<u>\$ 12,825</u>
CLERK OF COURTS				
ASSETS:				
Cash	\$ 494,208	\$ 408,023	\$ 505,991	\$ 396,240
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Total revenue	<u>\$ 494,208</u>	<u>\$ 408,023</u>	<u>\$ 505,991</u>	<u>\$ 396,240</u>
LIABILITIES:				
Due to others	\$ 494,208	\$ 320,398	\$ 418,366	\$ 396,240
Due to other governments	-	87,625	87,625	-
	<u>\$ 494,208</u>	<u>\$ 408,023</u>	<u>\$ 505,991</u>	<u>\$ 396,240</u>

WASHINGTON COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
SHERIFF				
ASSETS:				
Cash	\$ 36,340	\$ 165,060	\$ 127,713	\$ 73,687
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Total revenue	<u>\$ 36,340</u>	<u>\$ 165,060</u>	<u>\$ 127,713</u>	<u>\$ 73,687</u>
LIABILITIES:				
Due to others	\$ 36,340	\$ 165,060	\$ 127,713	\$ 73,687
Due to other governments	-	-	-	-
	<u>\$ 36,340</u>	<u>\$ 165,060</u>	<u>\$ 127,713</u>	<u>\$ 73,687</u>
MAGISTRATE COURT				
ASSETS:				
Cash	\$ -	\$ 446,927	\$ 446,927	\$ -
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Total revenue	<u>\$ -</u>	<u>\$ 446,927</u>	<u>\$ 446,927</u>	<u>\$ -</u>
LIABILITIES:				
Due to others	\$ -	\$ 315,485	\$ 315,485	\$ -
Due to other governments	-	131,442	131,442	-
	<u>\$ -</u>	<u>\$ 446,927</u>	<u>\$ 446,927</u>	<u>\$ -</u>
TOTAL				
ASSETS:				
Cash	\$ 657,250	\$ 22,364,543	\$ 22,452,775	\$ 569,018
Property taxes receivable	293,344	21,793,114	21,943,035	143,423
Other receivables	2,534	-	694	1,840
Total revenue	<u>\$ 953,128</u>	<u>\$ 44,157,657</u>	<u>\$ 44,396,504</u>	<u>\$ 714,281</u>
LIABILITIES:				
Due to others	\$ 544,924	\$ 826,577	\$ 890,769	\$ 480,732
Due to other governments	408,204	15,409,059	15,583,714	233,549
	<u>\$ 953,128</u>	<u>\$ 16,235,636</u>	<u>\$ 16,474,483</u>	<u>\$ 714,281</u>

WASHINGTON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES (UNAUDITED) COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT:				
Board of Commissioners:				
Personal services	\$ 297,100	\$ 311,400	\$ 305,171	\$ 6,229
Purchased/contracted services	36,600	22,300	33,320	(11,020)
Supplies	13,100	13,100	7,642	5,458
Capital outlays	12,000	5,200	5,523	(323)
Debt service	-	-	-	-
	<u>358,800</u>	<u>352,000</u>	<u>351,656</u>	<u>344</u>
Tax Commissioner:				
Personal services	194,500	194,500	181,221	13,279
Purchased/contracted services	37,800	37,800	37,181	619
Supplies	5,700	5,700	6,573	(873)
Capital outlays	2,770	2,770	-	2,770
Debt service	-	-	-	-
	<u>240,770</u>	<u>240,770</u>	<u>224,975</u>	<u>15,795</u>
Tax Assessors:				
Personal services	198,100	198,100	180,303	17,797
Purchased/contracted services	28,960	28,960	40,357	(11,397)
Supplies	16,500	16,500	14,221	2,279
Capital outlays	-	-	-	-
	<u>243,560</u>	<u>243,560</u>	<u>234,881</u>	<u>8,679</u>
Board of Registrars:				
Personal services	17,524	17,524	17,465	59
Purchased/contracted services	3,800	3,800	3,604	196
Supplies	2,100	2,100	2,326	(226)
Capital outlays	-	-	-	-
	<u>23,424</u>	<u>23,424</u>	<u>23,395</u>	<u>29</u>
Coroner:				
Personal services	15,600	15,600	26,226	(10,626)
Purchased/contracted services	14,200	14,200	3,268	10,932
Supplies	-	-	85	(85)
Capital outlays	-	-	-	-
	<u>29,800</u>	<u>29,800</u>	<u>29,579</u>	<u>221</u>
Public Building and Property:				
Personal services	-	-	-	-
Purchased/contracted services	318,000	330,000	327,583	2,417
Supplies	38,900	38,900	48,069	(9,169)
Capital outlays	-	-	-	-
	<u>356,900</u>	<u>368,900</u>	<u>375,652</u>	<u>(6,752)</u>

WASHINGTON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES (UNAUDITED) COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
Elections:				
Personal services	\$ 13,000	\$ 31,800	\$ 28,673	\$ 3,127
Purchased/contracted services	11,000	4,912	3,355	1,557
Supplies	1,400	1,688	666	1,022
Capital outlays	-	-	-	-
	<u>25,400</u>	<u>38,400</u>	<u>32,694</u>	<u>5,706</u>
Auditing	<u>33,500</u>	<u>35,000</u>	<u>33,500</u>	<u>1,500</u>
Miscellaneous General Government:				
County Agent:				
Personal services	52,400	52,400	53,758	(1,358)
Purchased/contracted services	1,800	1,800	2,273	(473)
Supplies	3,300	3,300	5,536	(2,236)
Code enforcement:				
Personal services	25,000	25,000	24,651	349
Supplies	15,000	15,000	9,705	5,295
Airport:				
Purchased/contracted services	21,865	31,165	38,275	(7,110)
Property and employee insurance and bonds	256,100	256,100	217,335	38,765
Employee fringe benefits	1,477,495	1,477,495	1,380,798	96,697
Regional development commission dues	11,000	11,000	10,758	242
Legal and consulting services	46,000	46,000	47,517	(1,517)
Industrial development:				
Development Authority	166,735	214,735	219,071	(4,336)
Capital outlays	-	-	-	-
Other	278,380	284,091	254,147	29,944
	<u>2,355,075</u>	<u>2,418,086</u>	<u>2,263,824</u>	<u>154,262</u>
Total general government	<u>3,667,229</u>	<u>3,749,940</u>	<u>3,570,156</u>	<u>179,784</u>
PUBLIC SAFETY:				
Sheriff's Office:				
Personal services	1,141,200	1,167,100	1,157,910	9,190
Purchased/contracted services	134,850	134,850	151,423	(16,573)
Supplies	198,200	200,200	191,259	8,941
Capital outlays	65,000	65,000	60,754	4,246
	<u>1,539,250</u>	<u>1,567,150</u>	<u>1,561,346</u>	<u>5,804</u>
Jail:				
Personal services	500,600	509,300	512,333	(3,033)
Purchased/contracted services	215,900	215,900	126,193	89,707
Supplies	231,700	231,700	204,470	27,230
Capital outlays	-	-	-	-
	<u>948,200</u>	<u>956,900</u>	<u>842,996</u>	<u>113,904</u>
Rural Fire Support:				
Operating expenses	233,000	233,000	233,000	-
Total public safety	<u>2,720,450</u>	<u>2,757,050</u>	<u>2,637,342</u>	<u>119,708</u>

WASHINGTON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES (UNAUDITED) COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
JUDICIAL SYSTEM:				
Superior Court:				
Personal services	\$ 235,700	\$ 235,700	\$ 216,755	\$ 18,945
Purchased/contracted services	372,950	372,950	356,866	16,084
Supplies	9,500	9,500	7,773	1,727
Capital outlays	-	-	-	-
	<u>618,150</u>	<u>618,150</u>	<u>581,394</u>	<u>36,756</u>
Probate Court:				
Personal services	139,100	139,100	124,174	14,926
Purchased/contracted services	700	700	4,320	(3,620)
Supplies	2,200	2,200	3,570	(1,370)
Capital outlays	-	-	-	-
	<u>142,000</u>	<u>142,000</u>	<u>132,064</u>	<u>9,936</u>
State Court:				
Personal services	71,400	71,400	72,931	(1,531)
Purchased/contracted services	9,000	18,600	19,438	(838)
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	<u>80,400</u>	<u>90,000</u>	<u>92,369</u>	<u>(2,369)</u>
Magistrate Court:				
Personal services	\$ 220,200	\$ 220,200	\$ 220,314	\$ (114)
Purchased/contracted services	5,470	5,470	9,920	(4,450)
Supplies	10,600	10,600	6,423	4,177
Capital outlays	-	-	-	-
	<u>236,270</u>	<u>236,270</u>	<u>236,657</u>	<u>(387)</u>
Total Judicial	<u>1,076,820</u>	<u>1,086,420</u>	<u>1,042,484</u>	<u>43,936</u>
PUBLIC WORKS:				
Road Department:				
Personal services	906,800	909,500	899,386	10,114
Purchased/contracted services	433,900	433,900	401,485	32,415
Supplies	503,600	503,600	518,724	(15,124)
Capital outlays	-	31,660	31,655	5
Total Public Works	<u>1,844,300</u>	<u>1,878,660</u>	<u>1,851,250</u>	<u>27,410</u>
HEALTH AND WELFARE:				
Public Health:				
Personal services	-	-	-	-
Purchased/contracted services	42,000	42,000	42,242	(242)
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	<u>42,000</u>	<u>42,000</u>	<u>42,242</u>	<u>(242)</u>

WASHINGTON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
Family and Children Services:				
Personal services	\$ -	\$ -	\$ -	\$ -
Purchased/contracted services	16,100	16,100	16,100	-
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	<u>16,100</u>	<u>16,100</u>	<u>16,100</u>	<u>-</u>
Ambulance Service:				
Personal services	-	-	-	-
Purchased/contracted services	297,260	297,260	294,560	2,700
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	<u>297,260</u>	<u>297,260</u>	<u>294,560</u>	<u>2,700</u>
Total Health and Welfare	<u>355,360</u>	<u>355,360</u>	<u>352,902</u>	<u>2,458</u>
CULTURE/RECREATION:				
Recreation:				
Personal services	\$ 344,600	\$ 344,600	\$ 335,251	\$ 9,349
Purchased/contracted services	141,552	141,552	109,810	31,742
Supplies	5,500	5,500	8,655	(3,155)
Capital outlays	-	-	1,771	(1,771)
	<u>491,652</u>	<u>491,652</u>	<u>455,487</u>	<u>36,165</u>
Library contributions	49,900	53,100	59,750	(6,650)
Total Culture/Recreation	<u>541,552</u>	<u>544,752</u>	<u>515,237</u>	<u>29,515</u>
GRAND TOTAL	<u>\$ 10,388,711</u>	<u>\$ 10,555,182</u>	<u>\$ 9,969,371</u>	<u>\$ 585,811</u>

WASHINGTON COUNTY, GEORGIA
 SCHEDULE OF PROJECTS CONSTRUCTED WITH
 SPECIAL SALES TAX PROCEEDS
 For the Year Ended June 30, 2014

Project	Original Estimated Cost	Expenditures				Estimated Percentage of Completion
		Revised Estimated Cost	Prior Years	Current Year	Total	
2005 Tax:						
Recreation park construction	\$ 250,000	\$ 249,315	\$ 249,315	\$ -	\$ 249,315	100.00%
Sheriff's department equipment	500,000	550,000	525,781	-	525,781	95.60%
Hospital improvements	500,000	1,118,941	1,118,941	-	1,118,941	100.00%
Public works equipment	1,500,000	1,500,000	1,459,328	27,873	1,487,201	99.15%
Rural fire support	900,000	900,000	900,000	-	900,000	100.00%
County road projects	5,325,000	5,800,000	5,421,697	-	5,421,697	93.48%
Ambulances and equipment	400,000	200,000	156,059	-	156,059	78.03%
E911 equipment	-	400,540	400,540	-	400,540	100.00%
Airport improvements	-	200,000	54,345	-	54,345	27.17%
Landfill improvements	-	50,000	20,764	-	20,764	41.53%
City projects:						
City of Davisboro	233,100	233,100	233,100	-	233,100	100.00%
Town of Deepstep	99,960	99,960	99,960	-	99,960	100.00%
Town of Harrison	312,120	312,120	312,120	-	312,120	100.00%
City of Oconee	183,120	183,120	183,120	-	183,120	100.00%
Town of Riddleville	95,400	95,400	95,400	-	95,400	100.00%
City of Sandersville	3,315,000	3,314,939	3,314,939	-	3,314,939	100.00%
City of Terulle	861,300	861,360	861,360	-	861,360	100.00%

(Continued)

WASHINGTON COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL SALES TAX PROCEEDS
For the Year Ended June 30, 2014

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2009 Tax:						
Industrial park improvements	\$ 750,000	\$ 750,000	\$ 338,889	\$ -	\$ 338,889	45.19%
Airport improvements	170,000	2,500,000	2,303,583	71,914	2,375,497	95.02%
Rural fire support	630,000	630,000	630,000	-	630,000	100.00%
County road projects	7,000,000	7,000,000	533,518	598,369	1,131,887	16.17%
Hospital improvements	3,000,000	3,000,000	2,850,000	-	2,850,000	95.00%
Sheriff's department equipment	650,000	650,000	285,376	74,907	360,283	55.43%
Recreation equipment	200,000	200,000	98,502	35,084	133,586	66.79%
Ambulances and equipment	350,000	350,000	134,314	9,934	144,248	41.21%
Public works equipment	2,000,000	2,000,000	426,491	266,103	692,594	34.63%
General government construction	-	150,000	65,819	-	65,819	43.88%
E911 equipment	-	100,000	35,536	-	35,536	35.54%
Landfill improvements	-	500,000	212,716	15,182	227,898	45.58%
City projects:						
City of Davisboro	250,000	250,000	138,650	35,340	173,990	69.60%
Town of Deepstep	137,500	137,500	76,261	19,438	95,699	69.60%
Town of Harrison	325,000	325,000	180,244	45,941	226,185	69.60%
City of Oconee	200,000	200,000	110,920	28,272	139,192	69.60%
Town of Riddleville	137,500	137,500	76,261	19,438	95,699	69.60%
City of Sandersville	3,100,000	3,100,000	1,719,229	438,222	2,157,451	69.60%
City of Tennille	850,000	850,000	471,374	120,158	591,532	69.60%

WRIGHT & WRIGHT, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
130 NORTH HARRIS STREET • POST OFFICE BOX 1014
SANDERSVILLE, GEORGIA 31082
email: wwpc@wrightandwrightpc.com

CLYDE K. WRIGHT, CPA
BRIAN K. WRIGHT, CPA

TELEPHONE (478) 552-6146
FACSIMILE (478) 552-6158

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

To the County Commissioners
Washington County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Georgia as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Washington County, Georgia's basic financial statements and have issued our report thereon dated December 4, 2014.

Internal Control Over Financial Reporting

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

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

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

We did identify certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies in internal control over financial reporting noted as items 14-1 through 14-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington County Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 14-3.

Washington County, Georgia's Response to Findings

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

Purpose of this Report

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

Wright & Wright, P. C.
December 4, 2014

WASHINGTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014

14-1 Segregation of Duties

Condition

Because of a limited number of available personnel in some of the Agency Funds, it is not always possible to adequately segregate certain incompatible duties, so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria

The County has a one employee in some of the Agency Funds who performs all financial duties, including receiving and depositing funds, writing checks and reconciling bank accounts. Items are approved for disbursement by the elected official, who signs checks.

Effect

Because of the lack of segregation of duties, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

Recommendation

We recommend that management continue to exercise alert supervision of employees in order to protect the assets of the County.

Response of Responsible Officials

We concur with and plan to implement the recommendations.

14-2 Controls Over Financial Statement Presentation

Condition

The County's financial statements and related footnotes are not prepared by County employees.

Criteria

County personnel do not currently possess the professional skills necessary to prepare or review the year end financial statements in sufficient detail to detect material misstatements in the financial statements and related footnotes.

Effect

The deficiency identified above could result in a material misstatement to the County's financial statements that would not be prevented or detected on a timely basis.

Recommendation

The County should consider additional training that would provide accounting personnel with the skills to detect and correct misstatements in the financial statements.

Response of Responsible Officials

We concur. We will evaluate the cost effectiveness of implementing the control and act accordingly.

14-3 Budgetary**Condition**

In the County's General Fund and E911 Fund, actual expenditures exceeded budget appropriations in a department.

Criteria

Departmental expenditures which exceed budgeted appropriations are a violation of state law.

Effect

Fiscal control and accountability over departmental expenditures may be jeopardized.

Recommendation

The County should monitor the budget and amend it when appropriate.

Response of Responsible Officials

The County Commissioners will analyze budgetary financial data periodically and amend the budget when appropriate.