CATOOSA COUNTY, GEORGIA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2012

JOHNSON, HICKEY & MURCHISON, P.C.
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Chattanooga, Tennessee

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FINANCIAL SECTION

JOHNSON HICKEY MURCHISON
CERTIFIED PUBLIC ACCOUNTANTS • SINCE 1977

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Catoosa County, Georgia:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catoosa County, Georgia, as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Catoosa County, Georgia. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Catoosa County Health Department, which represent 26%, 100%, and 76%, respectively, of the assets, positive net assets, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Catoosa County Health Department, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of other auditors, provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catoosa County, Georgia, as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards,* we have also issued our report dated March 27, 2013, on our consideration of Catoosa 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the general fund schedule of revenues, expenditures and changes in fund balances – budget and actual on pages vi-xv and pages 44-48 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Catoosa County, Georgia's financial statements as a whole. The accompanying combining nonmajor fund financial statements, agency funds financial statement, and financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations,* and is also not a required part of the County's financial statements. The financial information and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements 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 basic financial statements taken as a whole.

Johnson, Nickey & Meacham, P.C.

March 27, 2013

Catoosa County, Georgia
Management's Discussion and Analysis
For the Year Ended September 30, 2012

Management's discussion and analysis provides an objective and easily readable analysis of the Government's financial activities. The analysis provides summary financial information for Catoosa County and should be read in conjunction with the Government's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Government's basic financial statements comprise three components; (1) *Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the financial statements*. The *Government-wide financial statements* present an overall picture of the Government's financial position and results of operations. The *Fund financial statements* present financial information for the Government's major funds. The *Notes to the financial statements* provide additional information concerning the Government's finances that are not disclosed in the Government-wide or Fund financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The *Government-wide financial statements* are the Statement of Net Assets and the Statement of Activities. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net assets of governmental activities and business-type activities and the change in net assets. Governmental Activities are primarily supported by property taxes, sales taxes, other taxes, federal and state grants, fines, and charges for services. Business-type activities are supported by charges to the users of those activities.

The Statement of Net Assets presents information on all assets and liabilities of the Government, with the difference between assets and liabilities reported as net assets. Net assets are reported in four categories: (1) invested in capital assets, net of related debt, (2) assigned, (3) restricted and (4) unrestricted. Assets, liabilities, and net assets are reported for all Governmental activities separate from the assets, liabilities and net assets of Business-type activities. In addition, assets, liabilities, and net assets are reported for the Catoosa County Health Department and the Catoosa County Development Authority, which are considered component units of the Government.

The Statement of Activities presents information on all revenues and expenses of the Government and the change in net assets. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the Government. To assist in understanding the Government's operations, expenses have been reported as governmental activities or business-type activities. Governmental activities financed by the Government include public safety, judicial, public works, health and welfare, culture and recreation, and general government services. Business-type activities financed by user charges include storm water and solid waste collections. Again, expenses and revenues of the component units are reported separately from the primary Government's financial information.

Fund financial statements present financial information for governmental funds, proprietary funds, and fiduciary funds. These statements provide financial information for the major funds of Catoosa County. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current

available resources. The proprietary funds financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources. The statement of fiduciary net assets provides information concerning assets held in trust by the Government on behalf of others.

Fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all governmental funds. A schedule of revenues, expenditures, and changes in fund balances – budget and actual, is provided as required supplementary information for the Government's General Fund. For the proprietary funds a statement of net assets; a statement of revenues, expenses, and changes in fund net assets; and a statement of cash flows are presented. A statement of fiduciary net assets is presented for the Government's agency funds. *Fund financial statements* provide more detailed information about the Government's activities. Individual funds are established to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of state and federal grants.

The *Government-wide financial statements* and the *Fund financial statement*s provide different pictures of the Government. The *Government-wide financial statements* provide an overall picture of the Government's financial standing, split between Governmental Activities and Business-type Activities. These statements are comparable to private-sector companies and give a good understanding of the Government's overall financial health and how the Government paid for the various activities, or functions, provided by the Government. All assets including land, buildings, equipment and infrastructure (which include storm water systems, roads, bridges, traffic signals, etc.) are reported in the Statement of Net Assets. All liabilities, including principal outstanding on bonds, capital leases, and future employee benefits obligated but not paid by the Government are reported in the Statement of Net Assets. Transactions between the different functions of the Government, however, have been eliminated in order to avoid a duplication of the revenues and expenses. The *Fund financial statements* provide a picture of the major funds and a column for all non-major funds. In the case of governmental activities, outlays for long lived assets are reported as expenditures, and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *Fund financial statements* to the *Government-wide financial statements*, reconciliation is provided from the *Fund financial statements* to the *Government-wide financial statements*.

The *Notes to the financial statements* provide additional detail concerning the financial activities and financial balances of the Government. Additional information about the accounting practices of the Government; investments of the Government, long-term debt, and the pension plan are some of the items included in the Notes. The notes to the financial statements can be found on pages 13 to 41 of this report.

FINANCIAL HIGHLIGHTS

Catoosa County's total assets exceeded total liabilities by $504.9 million (net assets). Total net assets for governmental activities were $508.6 million; total net assets for business-type activities were a deficit in the amount of $3.7 million.

CATOOSA COUNTY, GEORGA
NET ASSETS

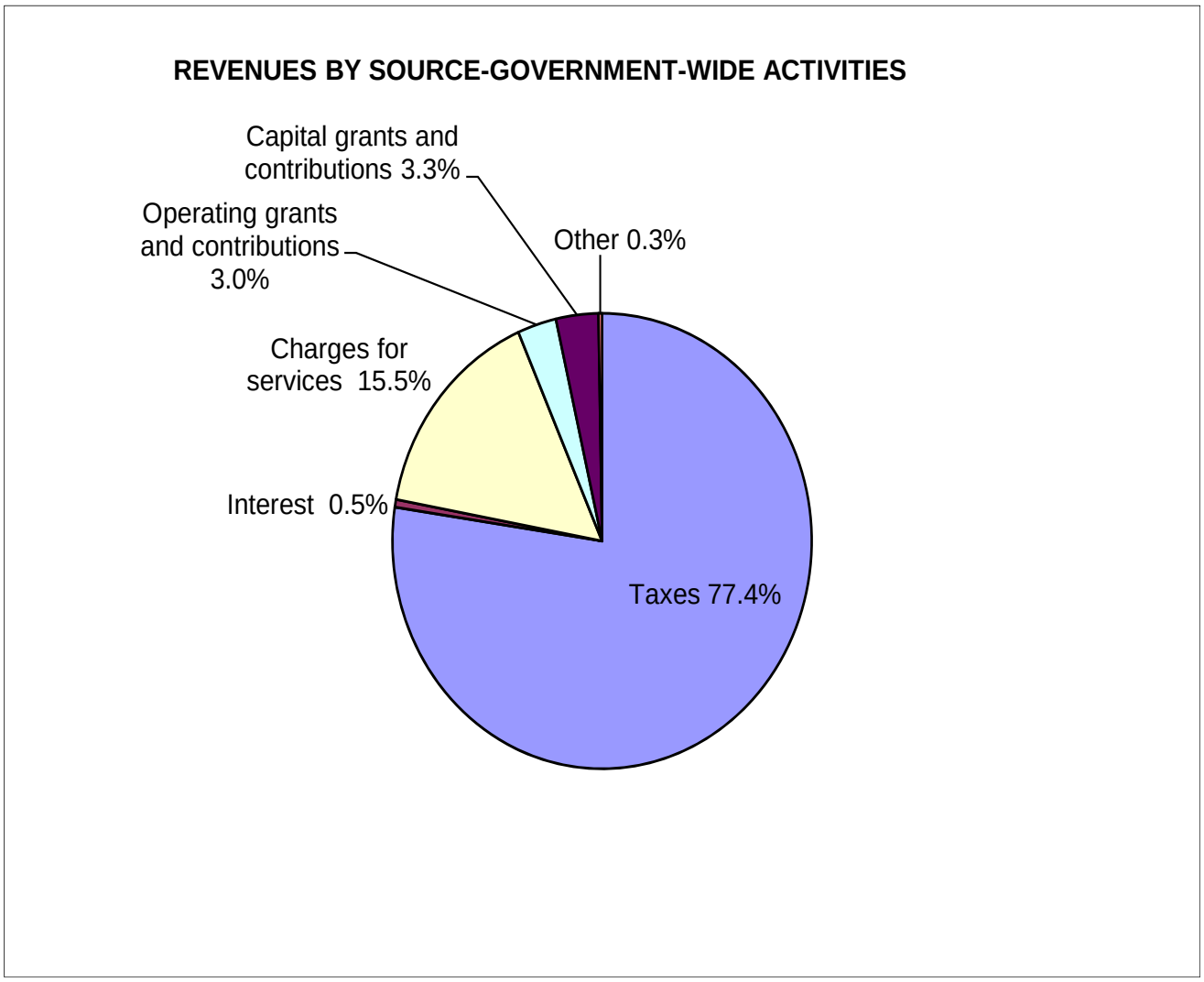
	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	$ 36.9	$ 38.0	$ (1.6)	$ (0.9)	$ 35.3	$ 37.1
Capital Assets	480.5	492.0	5.1	4.7	485.6	496.7
Total Assets	517.4	530.0	3.5	3.8	520.9	533.8
Long-term Liabilities	0.7	1.1	6.9	7.0	7.6	8.1
Other Liabilities	8.1	8.0	0.3	0.8	8.4	8.8
Total Liabilities	8.8	9.1	7.2	7.8	16.0	16.9
Net Assets						
Invested in Capital Assets, Net of Related Debt	479.4	490.5	5.0	4.7	484.4	495.2
Assigned	0.1	-	-	-	0.1	-
Restricted	16.6	18.4	-	-	16.6	18.4
Unrestricted	12.5	12.0	(8.7)	(8.7)	3.8	3.3
Total Net Assets	$ 508.6	$ 520.9	$ (3.7)	$ (4.0)	$ 504.9	$ 516.9

As a whole, the Government's financial position declined during Fiscal 2012. Total net assets decreased by $12.0 million, a negative of $12.3 million from governmental activities and a decrease to the deficit of $332 thousand from business-type activities. The decrease in the assets of $12.9 million is due to a decrease in capital assets of $11.1 million and a decrease in current and other assets of $1.8 million. The decrease in capital assets is the result of depreciation of $12.7 million and disposition of $259 thousand partially offset by an increase for capital additions of $1.8 million. The decrease in current and other assets is the result of a decrease in restricted for specific use (SPLOST) of $1.9 million, a decrease in the receivable from other governmental entities of $2.7 million mainly FEMA/GEMA, property taxes receivable $51 thousand and other taxes receivable $26 thousand; the decrease was partially offset by a increase in cash and cash equivalents of $2.9 million due to collections on the FEMA/GEMA receivable for the tornado damage and an increase in prepaid expenses and supplies of $44 thousand. Governmental liabilities decreased $934 thousand with a decrease of $299 thousand in accounts payable, deferred revenue $137 thousand and long-term liabilities due within one year $17 thousand and due in more than one year $538 thousand; the decrease was partially offset by an increase in due to other governments $57 thousand. Net capital assets in the amount of $484.5 million comprised the bulk of the net assets of the County. This includes land, buildings, equipment, capital improvements, infrastructure as well as assets currently under construction. Restricted net assets in the amount of $16.5 million are comprised of $16.2 million for SPLOST, $343 thousand for Public Safety which includes Confiscated Assets Fund and J.C.S.A. Fund and $4 thousand for Multiple Grant Fund and Library Grant Fund. The unrestricted net assets of $3.8 million is composed of a positive balance of $12.5 million in governmental activities, mainly the General Fund reserve balance, and a negative of $8.7 million in the business-type activities due to the negative fund equity in the Solid Waste Management Authority as a result of accrued landfill post closure care costs in the amount of $7.1 million and a liability of $1.6 million for the construction of the landfill gas to energy project.

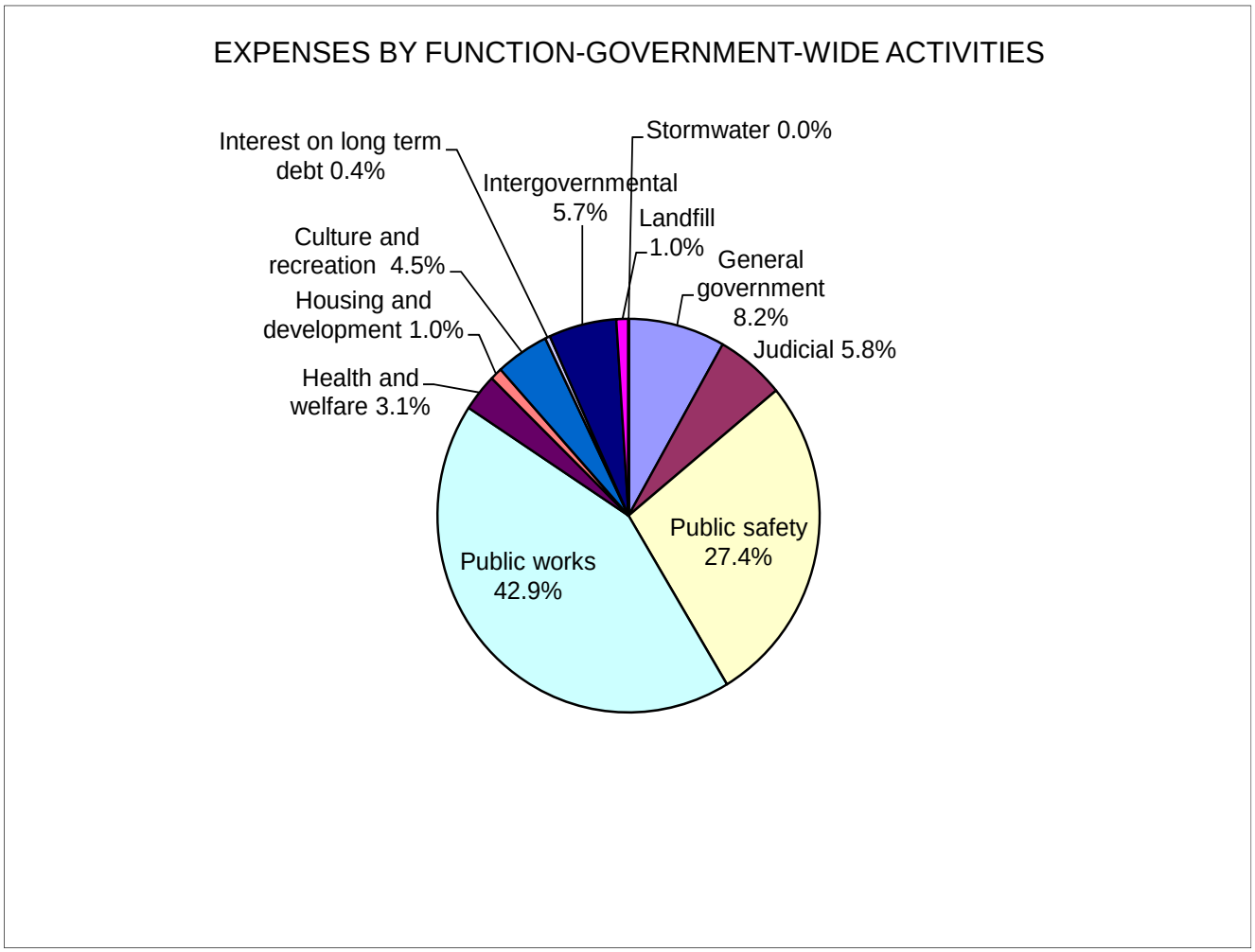
CATOOSA COUNTY, GEORGIA
CHANGES IN NET ASSETS
($ in Millions)
Fiscal Years 2012 and 2011

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$ 5.1	$ 5.0	$ 0.6	$ 0.1	$ 5.7	$ 5.1
Operating grants and contributions	1.1	0.7	-	-	1.1	0.7
Capital grants and contributions	1.1	5.9	0.1	0.1	1.2	6.0
General revenues:						
Property taxes	8.8	9.0	-	-	8.8	9.0
Special local option sales tax	9.5	9.2	-	-	9.5	9.2
Local option sales tax	6.6	6.5	-	-	6.6	6.5
Insurance premium tax	2.1	2.1	-	-	2.1	2.1
Federal payments in lieu of taxes	0.4	0.5	-	-	0.4	0.5
Other taxes	0.7	0.6	-	-	0.7	0.6
Franchise fees	0.3	0.3	-	-	0.3	0.3
Interest	0.2	0.7	-	-	0.2	0.7
Other	0.1	0.4	-	0.2	0.1	0.6
Total revenues	36.0	40.9	0.7	0.4	36.7	41.3
Expenses:						
General government	4.0	4.5	-	-	4.0	4.5
Judicial	2.8	2.9	-	-	2.8	2.9
Public safety	13.3	13.3	-	-	13.3	13.3
Public works	20.9	20.3	-	-	20.9	20.3
Health and welfare	1.5	1.4	-	-	1.5	1.4
Housing and development	0.5	0.5	-	-	0.5	0.5
Culture and recreation	2.2	1.9	-	-	2.2	1.9
Interest on long term debt	0.2	0.1	-	-	0.2	0.1
Intergovernmental	2.8	2.2	-	-	2.8	2.2
Landfill	-	-	0.5	0.2	0.5	0.2
Storm water	-	-	-	-	-	-
Total expenses	48.2	47.1	0.5	0.2	48.7	47.3
Change in net assets before transfers	(12.2)	(6.2)	0.2	0.2	(12.0)	(6.0)
Transfers	(0.1)	-	0.1	-	-	-
Change in net assets	(12.3)	(6.2)	0.3	0.2	(12.0)	(6.0)
Beginning net assets	520.9	527.1	(4.0)	(4.2)	516.9	522.9
Prior period adjustment	-	-	-	-	-	-
Ending net assets	$ 508.6	$ 520.9	$ (3.7)	$ (4.0)	$ 504.9	$ 516.9

Total government-wide revenues for 2012 were $36.7 million, a decrease of $4.6 million from $41.3 million in 2011. The decrease was the result of a reduction in capital grants and contributions of $4.8 million mainly due to the FEMA/GEMA grant for tornado recovery in prior year, property taxes $267 thousand due to a reduction in the Net M&O Digest of .5%, interest earning due to the lowering of the interest rate $494 thousand and other for gain on disposal of capital assets and insurance proceeds down due to tornado recovery in prior year $523 thousand. The decreases were partially offset by increases in charges for services of $688 thousand mainly due to the completion and operating of the landfill gas to energy project, operating grants and contributions of $425 thousand due to the completion of Community Development Block Grant, Special Local Option Sales Tax (SPLOST) $244 thousand, Local Option Sales Tax (LOST) $171 thousand, Insurance Premium Tax $45 thousand and other taxes and fees $59 thousand. The revenues are distributed by the following sources: $28.4 million in taxes, $5.7 million in charges for services, $2.3 million in grants and contributions, $162 thousand in interest earnings and $92 thousand other. Of this amount $36 million was in governmental activities and $705
thousand was in business type activities. The chart below shows graphically the distribution of government-wide revenues by source.



Government-wide expenses were $48.7 million for 2012, an increase of $1.4 million from $47.3 million for 2011. The increase was the result of an increase in public works of $646 thousand, intergovernmental $523 thousand, landfill $281 thousand, culture and recreation $239 thousand, health and welfare $161 thousand, public safety $93 thousand, housing and development $20 thousand and interest on long term debt $19 thousand. The increases were partially offset by reductions in general government $497 thousand and judicial $100 thousand. The increase in public works was due to a $5.4 million increase in SPLOST fund expenditures on capital projects partially offset by a reduction in Capital Projects Grant Fund expenditures of $4.7 million as the result of the (FEMA/GEMA) claim in prior year for the tornado damage. The increase in intergovernmental was due to an increase in SPLOST fund expenditures on capital projects. The increase in landfill was due to the startup and ten months of operating expenses for the landfill gas to energy project. The $239 thousand increase in culture and recreation was due to an increase of $150 thousand in SPLOST fund expenditures on capital projects and departmental expense increase of $89 thousand. The increase in health and welfare was due to an increase in Operating Grants and Contributions. The increase in public safety was due to a $264 thousand increase in departmental expenses partially offset by a reduction in Other Governmental Funds of $171 thousand. The reduction in general government was mainly due to the County portion of the tornado loss in prior year (15% of the expenditures not covered by FEMA/GEMA). The decrease in judicial was due to reductions in departmental expenses mainly clerk of superior court. Of the total expenses, $48.2 million were for governmental activities and $520 thousand for business-type activities. The following chart shows graphically further detail of government-wide expenses by function.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Major Governmental Funds

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

Revenues in the governmental funds were $36.2 million, a decrease of $4.2 million from $40.4 million in 2011. The decrease was the result of a reduction in capital grants and contributions of $4.9 million mainly due to the FEMA/GEMA grant for tornado recovery in prior year partially offset by an increase in Special Local Option Sales Tax (SPLOST) $244 thousand and an increase in intergovernmental funding for SPLOST projects of $424 thousand.

Expenditures in the governmental funds were $37.4 million, a decrease of $202 thousand from $36.6 million in 2011. The decrease in governmental expenditures is attributable to decreases in capital project grants of $5.2 million and general fund $191 thousand partially offset by an increases of $5.2 million in SPLOST capital projects. The decrease in capital project grants is the result of the FEMA/GEMA claims in prior year for the tornado damage. The decrease in the general fund was mainly due to the County portion of the tornado loss in prior year (15% of the expenditures not covered by FEMA/GEMA). The increase in SPLOST capital projects is due to a large portion of the revenue having been collected on the current SPLOST cycles, therefore, the County is able to start projects and complete them without debt financing.

Other financing sources and uses generated a favorable fund balance of $131 thousand due to proceeds from sale of assets and insurance proceeds in the amount of $278 thousand partially offset by a transfer out to other funds of $147 thousand.

As the County completed the year, its governmental funds reported a combined fund balance of $29.4 million a decrease of $1.1 million from $30.5 million in 2011. The General Fund, which is the chief operating fund of the County increased $750 thousand, SPLOST Capital Projects Fund decreased $2.0 million and Other Governmental Funds increased $137 thousand.

Major Proprietary Funds

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

Operating revenues in business type activities were $596 thousand, an increase of $280 thousand from $316 thousand in 2011. The increase was due to an increase in fees of $486 thousand partially offset by a decrease in other revenue of $206 thousand. The increase in fees was due to the startup and operation of the landfill gas to energy project for ten months of the current fiscal year. The decrease in other revenue was the result of the reduction in the accrued post closure care liability for Site #1

and Site #2 of the Landfill, which occurs with the passage of time having been reclassified and reported as a reduction to the expenses in the current year.

Operating expenses in business-type activities were $520 thousand, an increase of $278 thousand from $242 thousand in 2011. The increase is due to an increase of $209 thousand in depreciation an increase of $203 thousand in operating expenses partially offset by a reduction of $134 thousand in the accrued post closure care liability for Site #1 and Site #2.

Other income from an intergovernmental capital grant in the amount of $109 thousand was received as partial funding of the landfill gas to energy project.

Transfers in from other funds for the cost of a storm water project funded by SPLOST in the amount of $147 thousand.

The proprietary funds reported an improvement in net assets of $332 thousand for the period ended 2012.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Commissioners was required to amend the budget to account for supplemental funding and to meet changing governmental expenses and needs which arose during the fiscal year. Even after the adjustment, actual revenues exceeded budgeted revenues by $209 thousand; budgeted expenditures exceeded actual expenditures by $541 thousand and budgeted other financing sources exceeded actual financing sources by $35.

The excess of actual revenues over budgeted revenues were primarily due to the following revenue categories where actual revenue exceeded budgeted: taxes $157 thousand, charges for services $11 thousand, intergovernmental $8 thousand, fines, fees and forfeitures $10 thousand and other $23 thousand. Of the $209 thousand of the excess of actual revenues over budgeted revenues, $124 thousand was due to an increase in vehicle ad valorem tax as the result of the significant increase in motor vehicles in the current tax digest.

The excess of budgeted expenditures over actual expenditures were primarily due to the following expenditure categories where budgeted exceeded actual: judicial $147 thousand, general government $87 thousand, public safety $227 thousand, housing and development $13 thousand and culture and recreation $67 thousand. The favorable variances were fairly distributed over all functions as the effort continues to control expenditures during these current economic times.

The excess of actual proceeds from sale of assets under other financing sources exceeded budgeted revenue $35.

General fund operations for 2012 resulted in a fund balance of $12.6 million, an increase of $750 thousand from $11.9 million in 2011.

CAPITAL ASSETS ACTIVITY

Investment in capital assets, net of accumulated depreciation, for both governmental and business-type activities, *Primary Government*, decreased $11,157,288. Beginning balance was $496,728,088, plus

current year additions of $1,792,668, less current year depreciation of $12,691,030, less net dispositions / reclassifications of $258,927, resulted in an ending balance of $485,570,800. The land disposition of $259 thousand represents the book value of the property where the DFAC's building which was loss in the tornado had been located; this property was transferred to the Development Authority to be marketed for development. The CIP additions includes expenditures for construction in process on the Landfill Gas to Energy Project $532 thousand, Mineral Avenue extension $375 thousand, Courthouse renovations $53 thousand, Lakeview Drive culverts $51 thousand and Emergency Operations Center $28 thousand. The items reclassed from CIP were the Landfill Gas to Energy equipment $1.8 million, automatic landfill dewatering system as site improvements $227 thousand, Mineral Avenue Road extension $428 thousand as infrastructure and Lakeview Drive culverts $420 thousand as infrastructure. The site improvements were for a storm water project at Anderson Drive and Battlefield Drive $147 thousand, improvements on the entry ramps at Fire Stations 3 & 6 $98 thousand and bleachers at Fort Oglethorpe ball field $11 thousand. The vehicle purchases in the amount of $151 thousand were for four new trucks and a dump bed for Public Works. The equipment purchases in the amount of $344 thousand included asphalt zipper, bobcat mini excavator and various other items of road equipment for Public Works $191 thousand, breathing air system and various items of fire and safety equipment for the Catoosa County Fire and Rescue $57 thousand, tasers and various other items of public safety equipment for the Sheriff's Office $50 thousand, GIS upgrade $25 thousand, deed book roller shelves for Clerk of Court $10 thousand and phone system and other small equipment for General Government $11 thousand. Most capital additions were funded by Capital Project Grants, SPLOST, J.C.S.A. or Confiscated Asset Funds. Additional information on the County's capital assets can be found in Note (5) on pages 27 to 29 of this report.

A summary of activity in capital assets, net of depreciation, of the primary government for the year ended September 30, 2012, is as follows:

	Beginning Balance	Additions	Depreciation	Dispositions /Reclass	Ending Balance
Land	$ 6,208,286	$ -	$ -	$ (258,928)	$ 5,949,358
CIP	1,949,935	1,038,902	-	(2,893,826)	95,011
Land Improvements	2,887,610	258,386	229,442	227,000	3,143,554
Infrastructure	452,417,665	-	10,376,006	847,838	442,889,497
Buildings	27,402,390	-	474,142		26,928,248
Equipment, vehicles, furniture & fixtures	5,862,202	495,381	1,611,440	1,818,989	6,565,132
	$ 496,728,088	$ 1,792,669	$ 12,691,030	$ (258,927)	$ 485,570,800

THE GOVERNMENT'S DEBT

The capital lease obligations represent the balance remaining for the lease financing for the construction of the new administration building $1,027,777 and lease purchase of the sheriff's vehicles $81,537. The post closure obligations are $2,091,513 for Site #1 and $5,039,159 for Site #2 which is The Georgia Environmental Protection Division estimate of the future liability for the next twenty-one

to twenty-seven years respectively. The compensated absences represent the cumulative and vesting for unpaid employee vacation and sick leave. Additional information on the county's debt can be found in Note (6) on pages 30 to 34 of this report.

A summary of activity in long-term debt of the primary government for the year ended September 30, 2012, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital lease obligations	$ 1,505,090	$ -	$ (395,775)	$ 1,109,315
Landfill closure / Postclosure obligation	7,264,352	-	(133,680)	7,130,672
Compensated absences	373,308	-	(25,816)	347,492
	$ 9,142,750	$ -	$ (555,271)	$ 8,587,479

STATUS OF THE CATOOSA COUNTY ECONOMY

Economic activity in Catoosa County during the year reflected national and regional trends. Retail sales taxes for the fiscal year 2012 improved only $412 thousand, or 2.6% from fiscal year 2011. The net M&O digest is up $8 million, or .5% for 2012 over 2011. The whole increase in the digest is due to motor vehicle sales as the construction activity is down due the lack of demand for new construction and lack of available credit.

REQUESTS FOR INFORMATION

This report was prepared by the Finance Department of Catoosa County and is designed to present a general overview of the County's accountability. Questions concerning this report or requests for additional information can be obtained by contacting the Chief Financial Officer at carl.henson@catoosa.com or at the following address and telephone number:

Catoosa County Government
Finance Department
800 Lafayette Street
Ringgold, Ga. 30736
706-965-2500

The Catoosa County Health Department, a component unit of Catoosa County, issues separately audited financial statements. Requests for additional information may be directed to:

Catoosa County Health Department
Finance Office
P.O. Box 609
Lafayette, Ga. 30728
706-638-5577

CATOOSA COUNTY, GEORGIA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS:				
Cash and cash equivalents -				
Available	$ 9,655,083	$ -	$ 9,655,083	$ 1,001,315
Restricted for specific use	16,547,159	-	16,547,159	-
Due from other funds	1,579,583	(1,579,583)	-	-
Due from other governmental entities	7,718,201	-	7,718,201	111,779
Property taxes receivable	233,377	-	233,377	-
Other taxes receivable	767,260	-	767,260	-
Prepaid expenses	329,977	-	329,977	-
Prepaid supplies	51,036	-	51,036	2,152
Loan costs	-	-	-	247
Land and other nondepreciable assets	4,275,232	1,769,137	6,044,369	2,398,539
Other capital assets, net of accumulated depreciation	476,230,943	3,295,488	479,526,431	702,351
Total assets	$ 517,387,851	$ 3,485,042	$ 520,872,893	$ 4,216,383
LIABILITIES AND NET ASSETS:				
Liabilities:				
Accounts payable	$ 2,331,577	$ 12,828	$ 2,344,405	$ 14,613
Line of credit	4,877,740	-	4,877,740	-
Due to heirs, litigants and others	110,948	-	110,948	-
Due to other governments	-	-	-	5,449,011
Deferred revenue	68,129	-	68,129	-
Long-term liabilities -				
Due within one year	745,738	286,231	1,031,969	1,346,039
Due in more than one year	711,069	6,844,441	7,555,510	-
Total liabilities	8,845,201	7,143,500	15,988,701	6,809,663
Net assets (deficit) :				
Invested in capital assets, net of related debt	479,396,860	5,064,625	484,461,485	1,815,722
Assigned	60,377	-	60,377	-
Restricted for -				
SPLOST capital projects	16,200,143	-	16,200,143	-
Public safety	342,639	-	342,639	-
Family health and welfare	4,377	-	4,377	-
Unrestricted	12,538,254	(8,723,083)	3,815,171	(4,409,002)
Total net assets	508,542,650	(3,658,458)	504,884,192	(2,593,280)
Total liabilities and net assets	$ 517,387,851	$ 3,485,042	$ 520,872,893	$ 4,216,383

(The accompanying notes are an integral part of these statements.)

CATOOSA COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
PRIMARY GOVERNMENT:								
Governmental activities:								
Judicial	$ 2,843,686	$ 1,628,045	$ 80,098	$ -	$ (1,135,543)	$ -	$ (1,135,543)	$ -
General government	4,018,123	827,414	11,996	-	(3,178,713)	-	(3,178,713)	-
Public safety	13,348,614	1,784,683	70,668	28,409	(11,464,854)	-	(11,464,854)	-
Public works	20,894,279	-	220,587	1,088,147	(19,585,545)	-	(19,585,545)	-
Health and welfare	1,532,217	62,499	577,579	-	(892,139)	-	(892,139)	-
Housing and development	527,230	201,283	-	-	(325,947)	-	(325,947)	-
Culture and recreation	2,159,592	599,366	115,873	-	(1,444,353)	-	(1,444,353)	-
Intergovernmental	2,755,557	-	-	-	(2,755,557)	-	(2,755,557)	-
Interest	152,606	-	-	-	(152,606)	-	(152,606)	-
Total governmental activities	48,231,904	5,103,290	1,076,801	1,116,556	(40,935,257)	-	(40,935,257)	-
Business-type activities:								
Landfill services	460,640	576,033	-	108,621	-	224,014	224,014	-
Stormwater management	59,771	20,234	-	-	-	(39,537)	(39,537)	-
Total business-type activities	520,411	596,267	-	108,621	-	184,477	184,477	-
Total primary government	48,752,315	5,699,557	1,076,801	1,225,177	(40,935,257)	184,477	(40,750,780)	-
COMPONENT UNITS:								
Development Authority	91,541	162,568	-	368,104	-	-	-	439,131
Health Department	1,414,147	654,101	488,147	-	-	-	-	(271,899)
Total component units	$ 1,505,688	$ 816,669	$ 488,147	$ 368,104	-	-	-	167,232
				GENERAL REVENUES:				
				Property taxes	8,778,604	-	8,778,604	-
				Special local option sales tax	9,466,653	-	9,466,653	-
				Local option sales tax	6,632,340	-	6,632,340	-
				Insurance premium tax	2,147,756	-	2,147,756	-
				Federal payments in lieu of taxes	442,046	-	442,046	-
				Other taxes	706,521	-	706,521	-
				Franchise fees	314,236	-	314,236	-
				Interest	162,932	-	162,932	9,445
				Gain on disposal of capital assets	4,269	-	4,269	-
				Insurance proceeds	19,307	-	19,307	-
				Other	91,946	-	91,946	487,384
				Total general revenues	28,766,610	-	28,766,610	496,829
				TRANSFERS	(147,378)	147,378	-	-
				Change in net assets	(12,316,025)	331,855	(11,984,170)	664,061
				NET ASSETS:				
				Beginning	520,858,675	(3,990,313)	516,868,362	(3,257,341)
				Ending	$ 508,542,650	$ (3,658,458)	$ 504,884,192	$ (2,593,280)

(The accompanying notes are an integral part of these statements.)

CATOOSA COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General Fund	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	$ 9,565,421	$ 16,623,492	13,329	$ 26,202,242
Due from other governmental entities	7,718,201	-	-	7,718,201
Due from other funds	2,025,226	-	625,547	2,650,773
Property taxes receivable	233,377	-	-	233,377
Other taxes receivable	606	766,654	-	767,260
Prepaid expenses	329,977	-	-	329,977
Prepaid supplies	51,036	-	-	51,036
Total assets	$ 19,923,844	$ 17,390,146	$ 638,876	$ 37,952,866
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	$ 1,520,190	$ 754,229	$ 57,153	$ 2,331,572
Line of credit	4,877,740	-	-	4,877,740
Due to heirs, litigants and others	110,948	-	-	110,948
Due to other funds	635,416	435,774	-	1,071,190
Deferred tax revenue	131,698	-	-	131,698
Other deferred revenue	-	-	68,129	68,129
Total liabilities	7,275,992	1,190,003	125,282	8,591,277
Fund balances:				
Nonspendable -				
Prepaid items	381,013	-	-	381,013
Restricted for -				
SPLOST projects		16,200,143	-	16,200,143
Capital projects	-	-	77,419	77,419
Committed for -				
Public safety	-	-	412,034	412,034
Health and welfare	-	-	4,377	4,377
Unassigned	12,266,839	-	19,764	12,286,603
Total fund balances	12,647,852	16,200,143	513,594	29,361,589
Total liabilities and fund balances	$ 19,923,844	$ 17,390,146	$ 638,876	$ 37,952,866

(The accompanying notes are an integral part of these statements.)

CATOOSA COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

Differences in amounts reported for governmental activities in the statement of net assets on page 1:	
Fund balances – total governmental funds	$ 29,361,589
Amounts reported for governmental activities in the statement of net assets are different because:	
Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	131,693
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	480,506,175
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(1,456,807)
	$508,542,650

(The accompanying notes are an integral part of these statements.)

CATOOSA COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General Fund	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	$18,339,555	$ 9,466,653	$ -	$ 27,806,208
Licenses and franchises	330,576	-	-	330,576
Charges for services	380,650	-	1,036,983	1,417,633
Intergovernmental	851,776	870,129	848,145	2,570,050
Fines, fees and forfeitures	2,493,163	-	242,370	2,735,533
Investment earnings	162,773	218,018	159	380,950
Other	914,328	-	-	914,328
Total revenues	23,472,821	10,554,800	2,127,657	36,155,278
EXPENDITURES:				
Current -				
Judicial	2,780,459	16,993	6,947	2,804,399
General government	3,833,589	-	27,014	3,860,603
Public safety	10,592,337	53,422	1,438,406	12,084,165
Public works	2,218,774	7,925,507	220,588	10,364,869
Health and welfare	1,131,792	-	334,845	1,466,637
Housing and development	519,353	-	-	519,353
Culture and recreation	1,634,164	174,458	107,131	1,915,753
Intergovernmental	-	2,755,557	-	2,755,557
Capital outlay	-	1,011,765	44,400	1,056,165
Debt service -				
Principal	-	395,774	-	395,774
Interest	101,376	51,230	-	152,606
Total expenditures	22,811,844	12,384,706	2,179,331	37,375,881
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	660,977	(1,829,906)	(51,674)	(1,220,603)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	258,928	-	-	258,928
Insurance proceeds	19,307	-	-	19,307
Transfers from other funds	-	-	188,929	188,929
Transfers to other funds	(188,929)	(147,378)	-	(336,307)
NET CHANGE IN FUND BALANCES	750,283	(1,977,284)	137,255	(1,089,746)
FUND BALANCES:				
Beginning	11,897,569	18,177,427	376,339	30,451,335
Ending	$12,647,852	$ 16,200,143	$ 513,594	$ 29,361,589

(The accompanying notes are an integral part of these statements.)

CATOOSA COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR YEAR ENDED SEPTEMBER 30, 2012

Differences in amounts reported for governmental activities in the statement of activities on page 2:	
Net change in fund balances – total governmental funds	$ (1,089,746)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay reported as expenditures in the governmental funds are reported as capital assets in the statement of activities.	1,113,692
Depreciation expense on governmental capital assets are included in the statement of activities.	(12,391,306)
Long-term liabilities in the statement of net assets include an estimated liability for compensated absences. These are planned to be liquidated with future resources; therefore, the increase or decrease in the liability does not affect expenditures in the governmental funds.	25,817
Proceeds from the sale of land provide current financial resources to governmental funds, the land was sold at fair market value, therefore no gain on disposition is reported in the statement of activities.	(258,928)
Only the gain on the disposition of capital assets is reported in the statement of activities.	4,269
Certain governmental revenues will not be collected for several months after the fiscal year and are deferred in the governmental funds.	(115,597)
Repayment of long-term debt and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	395,774
	$(12,316,025)

(The accompanying notes are an integral part of these statements.)

CATOOSA COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	Business-Type Activities		
	Major Fund	Nonmajor Fund	
	Solid Waste Management Authority	Public Works Authority	Total
ASSETS			
Due from other funds	$ -	$ 9,869	$ 9,869
CAPITAL ASSETS:			
Land	1,738,360	30,777	1,769,137
Land improvements	6,601,955	898,093	7,500,048
Buildings	40,465	-	40,465
Equipment and vehicles	1,840,972	31,594	1,872,566
	10,221,752	960,464	11,182,216
Less accumulated depreciation	5,696,145	421,446	6,117,591
Net capital assets	4,525,607	539,018	5,064,625
Total assets	$ 4,525,607	$ 548,887	$ 5,074,494
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	$ 12,529	$ 299	$ 12,828
Due to other funds	1,589,452	-	1,589,452
Accrued closure and postclosure care costs	286,231	-	286,231
Total current liabilities	1,888,212	299	1,888,511
LONG-TERM LIABILITIES:			
Accrued postclosure care costs	6,844,441	-	6,844,441
	6,844,441	-	6,844,441
Total liabilities	8,732,653	299	8,732,952
NET ASSETS:			
Invested in capital assets	4,525,607	539,018	5,064,625
Unrestricted	(8,732,653)	9,570	(8,723,083)
	(4,207,046)	548,588	(3,658,458)
Total liabilities and net assets	$ 4,525,607	$ 548,887	$ 5,074,494

(The accompanying notes are an integral part of these statements.)

CATOOSA COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business-Type Activities		
	Major Fund	Nonmajor Fund	
	Solid Waste Management Authority	Public Works Authority	Total
OPERATING REVENUES:			
User fees	$ 576,033	$ 20,234	$ 596,267
Total revenues	576,033	20,234	596,267
OPERATING EXPENSES:			
Depreciation	254,819	44,905	299,724
General operating expenses	205,821	14,866	220,687
Total expenses	460,640	59,771	520,411
OPERATING (INCOME) LOSS	115,393	(39,537)	75,856
OTHER INCOME:			
Intergovernmental capital grant	108,621	-	108,621
TRANSFERS:			
Transfers from other funds	-	147,378	147,378
CHANGE IN NET ASSETS	224,014	107,841	331,855
NET ASSETS:			
Beginning	(4,431,060)	440,747	(3,990,313)
Ending	$ (4,207,046)	$ 548,588	$ (3,658,458)

(The accompanying notes are an integral part of these statements.)

CATOOSA COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business-Type Activities		
	Major Fund	Nonmajor Fund	
	Solid Waste Management Authority	Public Works Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from user fees	$ 576,033	$ 20,234	$ 596,267
Payments to suppliers for goods or services	(833,887)	(14,634)	(848,521)
Net cash provided (used) by operating activities	(257,854)	5,600	(252,254)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	(531,600)	-	(531,600)
Proceeds from capital grant	108,621	-	108,621
Transfers from other funds	-	-	-
Loan from other funds	680,833	(5,600)	675,233
Net cash provided (used) by capital and related financing activities	257,854	(5,600)	252,254
NET CHANGE IN CASH	-	-	-
CASH AND CASH EQUIVALENTS			
Beginning	-	-	-
Ending	$ -	$ -	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	$ 115,393	$ (39,537)	$ 75,856
Adjustments to reconcile operating income (loss) to net cash used by operating activities -			
Depreciation	254,819	44,905	299,724
Net change in operating liabilities	(628,066)	232	(627,834)
Net cash provided (used) by operating activities	$ (257,854)	$ 5,600	$ (252,254)
SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	$ (531,600)	$ (147,378)	$ (678,978)
Transfer from other fund	-	147,378	-
Cash paid	$ (531,600)	$ -	$ (678,978)

(The accompanying notes are an integral part of these statements.)

CATOOSA COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
SEPTEMBER 30, 2012

	Agency Funds
ASSETS:	
Cash and cash equivalents	$1,265,041
Total assets	$1,265,041
LIABILITIES:	
Due to heirs, litigants, and others	$ 516,445
Due to other governmental entities	748,596
Total liabilities	$1,265,041

(The accompanying notes are an integral part of these statements.)

CATOOSA COUNTY, GEORGIA
STATEMENT OF NET ASSETS
COMPONENT UNITS
SEPTEMBER 30, 2012

	Catoosa County Development Authority September 30, 2012	Catoosa County Health Department June 30, 2012	Totals
ASSETS			
Cash and cash equivalents	$ 33,638	$ 967,677	$ 1,001,315
Due from other governments	-	111,779	111,779
Inventory	-	2,152	2,152
Loan costs	247	-	247
Land and other depreciable assets	2,398,539	-	2,398,539
Other capital assets, net of accumulated depreciation	682,919	19,432	702,351
Total assets	$ 3,115,343	$ 1,101,040	$ 4,216,383
LIABILITIES AND NET ASSETS			
Liabilities:			
Notes payable	$ 1,285,168	$ -	$ 1,285,168
Accounts payable and accrued expenses	13,547	1,066	14,613
Due to other governments	5,423,803	25,208	5,449,011
Liability for compensated absences	-	60,871	60,871
Total liabilities	6,722,518	87,145	6,809,663
Net assets:			
Invested in capital assets, net of related debt	1,796,290	19,432	1,815,722
Unrestricted	(5,403,465)	994,463	(4,409,002)
Total net assets	(3,607,175)	1,013,895	(2,593,280)
Total liabilities and net assets	$ 3,115,343	$ 1,101,040	$ 4,216,383

(The accompanying notes are an integral part of these statements.)

CATOOSA COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Catoosa County Development Authority	Net (Expense) Revenue and Changes in Net Assets: Catoosa County Health Department	Total
Catoosa County Development Authority:						
Development Authority operations	$ 91,541	$ 162,568	$ 368,104	$ 439,131	$ -	$ 439,131
Catoosa County Health Department:						
Health Department operations	1,414,147	654,101	488,147	-	(271,899)	(271,899)
Total component units	$ 1,505,688	$ 816,669	$ 856,251	439,131	(271,899)	167,232
GENERAL REVENUES:						
Intergovernmental funding				-	486,175	486,175
Interest				51	9,394	9,445
Other				-	1,209	1,209
Total general revenues				51	496,778	496,829
Change in net assets				439,182	224,879	664,061
NET ASSETS:						
Beginning				(4,046,357)	789,016	(3,257,341)
Ending				$ (3,607,175)	$ 1,013,895	$ (2,593,280)

(The accompanying notes are an integral part of these statements.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization -

Catoosa County, Georgia (the County) was organized by Georgia Acts of 1853. The County is governed by a five-member Board of Commissioners, with day-to-day operations vested in an appointed county manager.

The accounting policies of the County conform to generally accepted accounting principles applicable to local governments. The more significant accounting policies of the County are summarized below.

Reporting Entity -

The accompanying financial statements include all funds of Catoosa County, Georgia (the primary government).

The County's financial statements include the financial statements (the only ones available) of the Catoosa County Solid Waste Management Authority and the Catoosa County Public Works Authority. These entities are reported as blended component units, as they provide services to the County and its citizens and are governed by boards controlled by members of the Board of Commissioners. The rates for user charges and debt authorizations are subject to approval by the Catoosa County Board of Commissioners. The Authorities are reported as enterprise funds.

The discretely presented component units include organizations which are legally separate from the primary government. They are considered component units because a majority of their boards are appointed by the County or because there is a financial benefit/burden relationship with the County. Discretely presented component units are as follows:

The Catoosa County Development Authority and the Development Authority of Catoosa County (which had no assets and no activity during the current year) were created by legislative act in the State of Georgia. The Boards of the two Authorities are the same, and are appointed by the County Board of Commissioners which must approve Authority debt for which the Board is ultimately responsible. The purpose of the development authorities is to develop industry in the County by assisting in the purchase and financing of property through bond issues and other debt. These component units operate as enterprise funds. The financial statements included in the County's basic financial statements are the only complete financial statements available for the component units.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Reporting Entity (continued) -

The Catoosa County Health Department was created by legislative act in the State of Georgia and provides health care services and education to County residents. The Catoosa County Board of Health, the governing authority of the Health Department, is composed of seven members, three of whom are appointed by the County Board of Commissioners and one of whom is the chief executive officer of the Board of Commissioners.

The Catoosa County Health Department issues separately audited financial statements. Copies of these financial statements may be obtained from the Catoosa County Health Department, Ringgold, Georgia. In its separately audited financial statements, the Catoosa County Health Department is reported as a general fund. The Health Department's fiscal year end is June 30.

The following organizations have separately selected governing bodies, and are legally separate and fiscally independent from the County. Therefore, they are not considered component units of Catoosa County and are excluded from the accompanying financial statements -

Catoosa County Board of Education
Catoosa County Department of Family and Children's Services
Catoosa Utility District

Basis of Presentation -

The County presents government-wide as well as fund level financial statements with activities at both levels categorized as either governmental or business-type. The government-wide statements of net assets and activities have eliminated internal balances and transfers between the activities of the governmental funds, which were presented separately in the fund financial statements. Transfers between governmental activities and business-type activities of the primary government are separately stated on the government-wide statement of net assets. As further discussed in Note 3, cash balances held by agency funds for governmental activities of the primary government are eliminated in the government-wide statement of net assets and in the fund financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Basis of Presentation (continued) -

The government-wide statement of activities reflects both the gross and net cost of functional categories which are otherwise supported by general government revenues. The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues are those directly associated with the function and include revenues from fines and forfeitures, licenses and permit fees, and charges for services. Operating and capital grants and contributions are limited to the funding of a specific operating expense or capital acquisition.

At the fund level, major funds are presented separately while nonmajor funds are combined into a single column. Major funds are determined based on their percentage of assets, liabilities, revenues or expenditures compared to the total of the same for all governmental funds, and on their percentage of the same for the total of all governmental and proprietary funds, as applicable. The general fund, the capital projects grant fund, and the SPLOST capital projects fund are reported as major governmental funds. The Solid Waste Management Authority is a major enterprise fund.

Basis of Accounting -

The government-wide financial statements, consisting of the statement of net assets and the statement of changes in net assets are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liability is incurred. The government-wide financial statements report information on all of the nonfiduciary activities of the County as a whole.

The fund-level financial statements of the governmental funds, consisting of the general fund, special revenue funds, and capital projects funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they are susceptible to accrual, which is defined as being both measurable, meaning that the amount of the transaction can be determined, and available, meaning

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Basis of Accounting (continued) -

collectible within the current period or soon enough thereafter (generally defined as within 60 days) to be used to pay liabilities of the current period. Those revenues susceptible to accrual are property and other taxes, federal and state grants, other state funds, interest income and charges for services. Expenditures are generally recognized when the liability is incurred. Exceptions to this general rule include accumulated unpaid vacation, sick pay and other employee amounts which are expected to be liquidated with future resources.

Since the governmental funds statements are presented on a different measurement focus and basis of accounting than the governmental activities column in the government-wide financial statements, a reconciliation is presented on the page following the applicable fund statement which reconciles the adjustments necessary to convert the fund financial statements to the governmental activities column of the government-wide presentation.

All business-type activities, including the primary government proprietary funds, use the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when the liability is incurred. For its proprietary funds and business-type activities, the County applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before December 5, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The County does not apply FASB pronouncements issued after December 5, 1989. Operating revenues of proprietary funds are those revenues that result from the activities of the fund, such as charges for services. All other revenue is considered nonoperating revenue and includes grants, investment earnings, and gain on the sale of capital assets. Likewise, operating expenses are those expenses related to the principal activity of the fund, such as depreciation. Nonoperating expenses include all other expenses not considered operating, such as interest expense.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Basis of Accounting (continued) -

Agency funds are custodial in nature, as they receive and disburse receipts for other funds and other entities. The County's agency funds are presented using the economic resources measurement focus and the accrual basis of accounting.

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

Fund Accounting -

The accounts of the County are organized on the basis of funds, which are considered separate accounting entities. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Amounts reported in the fund financial statements as due to or due from other funds are eliminated upon preparation of the government-wide statement of net assets. The various funds are grouped into fund types as follows:

Governmental Funds:

General Fund -

The general fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund, or those for which it is considered fiscally responsible to be accounted for in a separate fund.

Special Revenue Funds -

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

Capital Projects Funds -

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets not financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fund Accounting (continued) –

Proprietary Funds:

Enterprise Funds -

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise and therefore funded primarily through user charges.

Internal Service Funds -

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds:

Trust and Agency Funds -

Trust and agency funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Non-current governmental assets/liabilities:

The County eliminates the presentation of account groups, but provides for these records to be maintained and incorporated into the governmental activities section of the government-wide financial statements.

The County maintains the following funds:

General fund

Special revenue funds -

Confiscated Assets Fund, which accounts for revenues and expenditures associated with currency forfeitures and drug fines and restitution.

Emergency 911 Fund, which accounts for revenues and expenditures associated with the operation of a County 911 emergency service.

Multiple Grant Fund, which accounts for revenues and expenditures from certain grants.

JCSA Fund, which accounts for specific revenues and expenditures associated with the operation of the County jail.

State Library Fund, which accounts for specific revenues and expenditures of the County library.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fund Accounting (continued) –

Special revenue funds (continued) –

DATE Program Fund, which accounts for revenues and expenditures associated with drug awareness.

Salary Reimbursement United States Treasury, which accounts for specific revenues and expenditures associated with a program to work with at-risk youth.

Catoosa County Health Department (a discretely presented component unit), which provides health care services and health education to the residents of Catoosa County. In its separately issued financial statements, the Health Department is reported as a general fund.

Capital projects funds -

SPLOST Capital Projects Fund, which accounts for the acquisition of assets, and other specific projects, with proceeds from the special local option sales tax.

Capital projects grant fund, which accounts for acquisition of assets with proceeds from state or federal grants.

Proprietary funds -

Enterprise funds:

Public Works Authority (a blended component unit), which accounts for the operation of stormwater management.

Solid Waste Management Authority (a blended component unit), which accounts for the operation of the disposal of solid waste.

Development Authority of Catoosa County and Catoosa County Development Authority (discretely presented component units), which account for aid and assistance in the promotion and establishment of new business and recreation within the County.

Fiduciary funds -

Agency funds:

Tax Commissioner, which accounts for receipts and disbursements of property and other taxes.

Clerk of Superior Court, which accounts for receipts and disbursements of the Clerk's office, primarily court costs, fines and settlements.

Magistrate Court, which accounts for receipts and disbursements of the Magistrate Court, primarily court costs, fines and settlements.

Probate Judge, which accounts for receipts and disbursements of the Probate Judge office, primarily traffic fines and marriage license fees.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fund Accounting (continued) –

Sheriff, which accounts for receipts and disbursements of the Sheriff's Department, primarily cash bonds.

Fund Equity -

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

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

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

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

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

Assigned – Fund balances are reported as assigned when amounts are constrained by Board action to be used for specific purposes, but are neither restricted or committed

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fund Equity (continued) –

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

When both restricted and unrestricted amounts of fund balance are available for expenditure, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balances in the following order: committed, assigned, unassigned.

Net assets – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted as described in the fund balances section above. All other net assets are reported as unrestricted.

Budget and budgetary control -

Although no budget to actual statements are presented in the basic financial statements, the County provides, for information purposes, its budget requirements and process. Annual revenue estimates and expenditure appropriations, on the modified accrual basis of accounting, are prepared for all governmental funds, with the exception of the capital projects funds, for which no annual appropriation is required and none is adopted. The projects accounted for in the capital projects funds are subject to budgetary control on a project basis. Providing budgetary information on an annual basis does not provide meaningful information because projects extend over more than one reporting period. Although a budget is not required for proprietary fund types, the County adopts a budget on the accrual basis of accounting for its primary government proprietary funds.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Budget and budgetary control (continued) –

The proposed budget is reviewed by the Board of Commissioners for determination of the property tax levy. The current tax levy, along with other required information, is filed in the Office of the Clerk of the Superior Court and published in the local newspaper with notice of public hearings to obtain taxpayer comments. The budget is legally enacted through adoption at a subsequent public hearing as required by law.

Expenditures may not legally exceed budgeted appropriations at the department level. Budgetary integration is employed as a management tool during the fiscal year. As needed during the year, the County finance manager is authorized to amend line items, with the exception of salaries, within a department. Approval by the Board of Commissioners is required for amendments to salary line items, or department or fund totals. The budget was amended within the above guidelines for the year ended September 30, 2012.

Receivables -

Receivables are reported at the outstanding principal amount. The County uses the direct write-off method to account for bad debts, which produces no material differences from the allowance method. Individual accounts are written off when they are determined to be uncollectible.

Capital Assets -

For the fund financial statements, capital assets of governmental funds are recorded as expenditures at the time of purchase. For its proprietary funds and for governmental funds at the government-wide presentation, the County capitalizes long-lived assets with an original cost of $1,000 or more. Such assets are recorded at cost.

For its proprietary funds and for its governmental funds at the government-wide presentation, depreciation of property and equipment is provided over the estimated useful lives of individual assets by the straight-line method. Estimated lives are as follows: equipment, 3 to 7 years; buildings, 25 to 75 years; land improvements, 10 to 27 years; infrastructure, 40 to 60 years.

Public domain (infrastructure) assets, which include roads, streets, curbs, gutters, sidewalks, etc., are recorded in the funds as expenditures at the time of purchase, and as capital assets in the government-wide financial statements. Infrastructure assets acquired prior to July 1, 1979, are not reported in these financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Notes payable -

Notes payable reported in governmental funds are expected to be liquidated with expendable, available resources.

Encumbrances -

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County.

Prepaid expenses -

Prepaid expenses consist of certain payments which reflect costs applicable to future periods. In governmental funds, these types of costs are recorded as expenditures during the term of the benefit period, rather than when paid.

Discounts/premiums/issuance costs -

In governmental funds, at the fund-level presentation, these types of transactions are recognized as revenue when received or as expenditures in the period in which incurred.

In proprietary funds, and at the government-wide presentation for governmental activities, these types of transactions are deferred and amortized over the benefit or payment period.

Cash equivalents -

For purposes of these financial statements, the County considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

(2) CASH AND INVESTMENTS:

The County reports its cash and other investments under the provisions of governmental auditing standards. At September 30, 2012, the primary government had no investments, and its cash on deposit was in demand deposit accounts.

Interest Rate Risk – As a means of limiting its exposure to losses resulting from rising interest rates, the County's usual policy is to invest in certificates of three years or less. The exposure to interest rate changes is presented using the weighted average maturity method. Its policy is to limit exposure to interest rate risk by requiring sufficient liquidity in the investment portfolio. The County's investments experienced no significant fluctuations in fair value during the year.

(2) CASH AND INVESTMENTS (Continued):

Custodial Credit Risk – The County's policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 110% of the value of the uninsured deposits. The deposits must be covered by federal deposit insurance, by collateral held by the County's agent in the County's name, or by Federal Reserve Banks acting as third party agents. State statutes also authorize the types of investments in which the County may participate. The County's policy is to limit its investments to certificates of deposit and savings and money market accounts with local banks and Georgia Fund 1, a combined state and local government investment pool.

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool that follows Standard and Poor's criteria for AAA rated money market funds. The State of Georgia Office of Treasury and Fiscal Services is the oversight agency for the Fund, which is operated in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940, and is considered to be a 2a-7-like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity, and diversification while maintaining principal. Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share.

Credit Risk – The County's policies are designed to maximize its earnings, while protecting the security and providing maximum liquidity, in accordance with all applicable state laws.

(3) INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS:

Most interfund receivable and payable balances are attributable to unsettled balances for charges between funds, and are expected to be paid within one year.

General fund payables to other governmental funds result from revenues received for these funds being held in a general fund cash account until an expenditure need arises. The balances in the confiscated assets and JCSA funds are not expected to be repaid within one year. It is anticipated that the balance in the other funds will be repaid within one year

(3) INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS (Continued):

The general fund receivable from the SPLOST capital project fund results from the general fund disbursing funds for a project which was determined to be a SPLOST project. It is anticipated that the balance will be repaid within one year

Payables from the agency funds to other funds consist of taxes, fines and forfeitures, and fees collected by the agency funds on behalf of other funds. At September 30, 2012, payables from agency funds to other funds were $256,498, and have been eliminated and reported as cash and cash equivalents in the fund for which the revenue was collected.

Interfund receivables and payables at September 30, 2012, consist of the following -

Amounts receivable to the general fund from the following funds –	
Major governmental fund –	
SPLOST capital projects	$ 435,774
Major enterprise funds -	
Solid waste	$1,589,452
Amounts payable from the general fund to the following funds –	
Nonmajor governmental funds -	
Public works	$ 9,869
Confiscated assets	$ 37,973
Emergency 911	$ 15,804
JCSA	$ 315,611
Multiple grant	$ 62,935
State grant for public library	$ 10,411
DATE program	$ 74,009
Capital projects	$ 108,804

The purpose of transfers are to allocate revenues from the fund that collects them to the fund that expends the resources based on the budgetary operations of the County.

Transfers for the 2012 year were as follows –

From SPLOST to Public Works Authority	$ 147,378
From general fund to Emergency 911 fund	$ 188,929

(3) INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS (Continued):

In addition to the receivables and payables between the various funds of the primary government, the general fund advanced the Development Authority $5,423,803, for the purpose of land development, and other expenses, for industrial revenue projects. It is anticipated that the repayment of $4,877,740 of the payable to the County will be funded by intergovernmental revenues to the Development Authority by the County and the cities of Fort Oglethorpe and Ringgold, which is expected to be generated by an increase in property and sales tax collections, or from the subsequent (2014) Special Local Option Sales Tax cycle. The repayment for the DEFAC's property in the amount of $258,928 will be repaid from the proceeds from the sale of the property by the Development Authority. The remaining $287,135 is scheduled to be repaid from the proceeds of a balloon payment to the Development Authority by the lessee's exercise of the option to purchase the Shope Ridge Road property in January, 2013.

(4) TAX ANTICIPATION NOTE:

In June, 2010, the County negotiated a tax anticipation note with Northwest Georgia Bank in the amount of $4,500,000, which matured on December 31, 2010. The purpose of this note was to fund the expenses of the Catoosa County Development Authority for land development for an industrial revenue project, and is expected to be paid as payments are received from the Development Authority for its payable to the County, as discussed in Note 3.

The note is expected to mature annually on December 31, and is eligible for renegotiation at maturity. The note was renewed in February, 2012, and increased to $4,877,740 for additional expenses incurred on the project, and matured on December 31, 2012. Subsequent to December 31, 2012, the note was renewed at a variable annual rate of 70% of the prime rate with no floor, currently 2.275%.

A summary of changes in the note is as follows –

Beginning Balance	Adjustments and Additions	Adjustments and Retirements	Ending Balance
$4,877,740	$ -	$ -	$4,877,740

(5) CAPITAL ASSETS:

Governmental activities

A summary of changes in capital assets and accumulated depreciation for governmental activities is as follows –

	Beginning	Additions	Dispositions and Reclass-ifications	Ending
Nondepreciable capital assets -				
Land	$ 4,439,149	$ -	$ (258,928)	$ 4,180,221
Construction in Progress	435,547	507,302	(847,838)	95,011
	$ 4,874,696	$ 507,302	$ (1,106,766)	$ 4,275,232
Depreciable capital assets -				
Land improvements	$ 2,127,800	$ 111,008	$ -	$ 2,238,808
Infrastructure	757,484,050	-	847,838	758,331,888
Buildings	33,288,514	-	-	33,288,514
Equipment, vehicles, furniture and fixtures	17,061,156	495,381	(203,010)	17,353,527
	809,961,520	606,389	644,828	811,212,737
Less accumulated depreciation -				
Land improvements	636,632	113,795	-	750,427
Infrastructure	305,066,385	10,376,006	-	315,442,391
Buildings	5,886,124	474,142	-	6,360,266
Equipment, vehicles, furniture and fixtures	11,208,627	1,427,363	(207,280)	12,428,710
	322,797,768	12,391,306	(207,280)	334,981,794
Depreciable capital assets, net	$487,163,752	$(11,784,917)	$ 852,108	$476,230,943

(5) CAPITAL ASSETS (Continued):

Governmental activities (continued)

Depreciation expense for governmental activities is charged to functions as follows –

General government	$ 161,060
Judicial	49,277
Public safety	1,326,651
Public works	10,532,241
Health and welfare	65,580
Culture and recreation	248,620
Housing and development	7,877
Total	$12,391,306

Business-type activities

A summary of changes in capital assets and accumulated depreciation for the business-type activities is as follows –

	Beginning	Additions	Dispositions and Reclass-ifications	Ending
Nondepreciable capital assets -				
Land	$ 1,769,137	$ -	$ -	$ 1,769,137
Construction in Progress	1,514,388	531,600	(2,045,988)	-
	$ 3,283,525	$ 531,600	$ (2,045,988)	$ 1,769,137
Depreciable capital assets -				
Land improvements	$ 7,125,670	$ 147,378	$ 227,000	$ 7,500,048
Buildings	40,465	-	-	40,465
Equipment and vehicles	47,204	-	1,825,362	1,872,566
	7,213,339	147,378	2,052,362	9,413,079
Less accumulated depreciation -				
Land improvements	5,729,228	115,647	-	5,844,875
Buildings	40,465	-	-	40,465
Equipment and vehicles	37,531	184,077	10,643	232,251
	5,807,224	299,724	10,643	6,117,591
Depreciable capital assets, net	$ 1,406,115	$ (152,346)	$ 2,041,719	$ 3,295,488

Depreciation expense for the business-type activities totaled $299,724.

(5) CAPITAL ASSETS (Continued):

Component Units

A summary of changes in capital assets and accumulated depreciation is as follows –

	Beginning	Additions	Dispositions and Reclass-ifications	Ending
Nondepreciable capital assets -				
Land	$ 2,160,989	$ 258,928	$ (21,378)	$ 2,398,539
Depreciable capital assets -				
Buildings	$ 1,285,542	$ -	$ -	$ 1,285,542
Machinery and Equipment	-	21,200	-	21,200
	1,285,542	21,200	-	1,306,742
Less accumulated depreciation –				
Buildings	561,126	41,497	-	602,623
Machinery and Equipment	-	1,768	-	1,768
	561,126	43,265	-	604,391
Depreciable capital assets, net	$ 724,416	$ (22,065)	$ -	$ 702,351

Depreciation expense for the component unit totaled $43,265.

The Catoosa County Development Authority owns three buildings which have been leased to a commercial entity through April, 2013, with options to purchase at any time. During the year ended September 30, 2012, these buildings were occupied at a rate of $13,547.33 per month. Minimum rental income relative to this lease are as follows –

For the year ending September 30, 2013	$ 94,831

(6) LONG-TERM DEBT:

Governmental activities

Debt for governmental activities reported in the government-wide statement of net assets represents amounts not expected to be paid with expendable, available resources, and consists of the following –

Capital lease obligations recorded in the government-wide statement of net assets consist of the following -

Lease financed with SunTrust Leasing, for construction of a building in the amount of $2,000,000 under a lease purchase agreement, payable in variable monthly payments, including interest at 3.85%, through October, 2015	$1,027,778
Lease financed with Regions Bank, for vehicles in the amount of $250,000 under a lease purchase agreement, payable in monthly payments of $16,788, including interest at 3.9%, through October, 2013	81,537
	$1,109,315

Maturities of lease obligations are as follows –

	Gross Payments	Imputed Interest	Net Present Value
For the year ending			
September 30, 2013	$ 434,171	$ 35,925	$ 398,246
2014	370,975	21,016	349,959
2015	341,354	8,021	333,333
2016	27,956	179	27,777
	$1,174,456	$ 65,141	$1,109,315

(6) LONG-TERM DEBT (Continued):

Governmental activities (continued)

The gross amount of governmental activities assets recorded under existing capital leases in the government-wide statement of net assets is $2,228,085. Of this amount, $1,694,444 is for building leases, $329,598 represents equipment, and $204,043 represents vehicles. Accumulated depreciation of assets acquired under capital leases is recorded at $694,305.

A summary of changes in long-term debt for governmental activities is as follows –

	Beginning Balance	Adjustments and Additions	Adjustments and Retirements	Ending Balance
Capital lease obligations	$1,505,090	$ -	$ (395,775)	$1,109,315
Compensated absences	373,308	-	(25,816)	347,492
	$1,878,398	$ -	$ (421,591)	$1,456,807

Presentation of long-term debt of governmental activities in the government-wide statement of net assets is as follows –

Due within one year -	
Capital lease obligations	$ 398,246
Compensated absences	347,492
	745,738
Due in more than one year	711,069
	$1,456,807

The resources of the general fund have been used in prior years to liquidate the balance of the compensated absences.

(6) LONG-TERM DEBT (Continued):

Business-type activities

As discussed in Note 13, the Solid Waste Management Authority has an estimated liability for postclosure care costs in the amount of $7,130,672. Maturities of the estimated landfill obligation are as follows -

For the year ending September 30, 2013	$286,231
2014	286,231
2015	286,231
2016	286,231
2017	286,231
2018-2022	1,431,157
2023-2027	1,431,157
2028-2032	1,431,157
2033-2037	1,032,773
2038-2039	373,273
	$7,130,672

A summary of changes in long-term debt for business-type activities is as follows –

	Beginning Balance	Adjustments and Additions	Adjustments and Retirements	Ending Balance
Landfill postclosure	$7,264,352	$ -	$ (133,680)	$7,130,672

Presentation of long-term debt of business-type activities in the government-wide statement of net assets is as follows –

Due within one year	$ 286,231
Due within more than one year	6,844,441
	$7,130,672

As further addressed in Note 16, it is anticipated that a portion of the landfill postclosure liability will be liquidated with general government resources.

(6) LONG-TERM DEBT (Continued):

Component Units

Notes payable of the Catoosa County Development Authority consist of the following -

Note to Wells Fargo Bank, original borrowings of $142,750, to provide financing for an industrial revenue project, payable in monthly installments of $519, including interest at 4.82%, through March, 2013, secured by real estate	$ 9,793
Note to Wells Fargo Bank, original borrowings of $1,025,900, to provide financing for an industrial revenue project, payable in monthly installments of $3,734, including interest at 4.82%, through March, 2013, secured by real estate	70,457
Note to Northwest Georgia Bank, original borrowings of $1,840,000, to provide financing for an industrial revenue project, payable in monthly interest installments at 2.275% with principal and remaining interest due December, 2012 secured by real estate	1,204,918
	$1,285,168

Future maturities are as follows -

For the year ending September 30, 2013	$1,285,168

(6) LONG-TERM DEBT (Continued):

Component Units (continued)

Estimate of future interest requirements are as follows -

For the year ending September 30, 2013	$ 10,728

A summary of changes in long-term debt for component units is as follows –

	Beginning Balance	Adjustments and Additions	Adjustments and Retirements	Ending Balance
Notes payable	$1,787,674	$ -	$ (502,506)	$1,285,168
Compensated absences	58,748	2,123	-	60,871
	$1,846,422	$ 2,123	$ (502,506)	$1,346,039

Presentation of long-term debt of component units is as follows –

Due within one year -	
Notes payable	$1,285,168
Compensated absences	60,871
	$1,346,039

The $1,204,919 note due December, 2012 was renewed in January, 2013, at 70% of prime, with no floor. Principal and interest due beginning in February, 2013, with the outstanding balance payable in full on January, 2014.

(7) TAXES:

Property taxes are levied for the calendar year on October 20 and are delinquent after December 20 of each year. Property taxes attach as an enforceable lien on property as of the levy date.

The County is required by state law to reduce the property tax levy by the amount of local option sales tax collections for the previous calendar year.

(8) CONTINGENCY:

The County has a contract with the Hospital Authority of Walker, Dade and Catoosa Counties (the "Authority") to assure that medical care and hospitalization is provided to indigent individuals. Walker County and Dade County are also parties to the same contract.

The Authority owns or leases certain hospital buildings and related facilities (the "Hospital"), including, but not limited to Hutcheson Medical Center. Hutcheson Medical Center, Inc., ("HMC") a nonprofit corporation organized and existing under the laws of the State of Georgia currently leases from the Authority and operates the Hospital.

The Authority in order to obtain additional funding for the operation and maintenance of the Hospital entered into a line of credit note (the "Note") with Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Health System, a hospital authority organized under the Tennessee Hospital Authority Law. The line of credit may not exceed $20,000,000 in principal with loan proceeds being paid to Hutcheson Medical Center, Inc. The Authority agreed to execute and deliver to the holder a Deed to Secure Debt and Security Agreement (the "Security Deed") to which it shall grant security title to its interest in certain real estate (the "Property") on which the Hospital is located as security for repayment of the Note. In order to assist the Authority in obtaining the necessary funding provided under the Note, the Board of Commissioners of Catoosa County, along with the sole Commissioner of Walker County, Georgia, has guaranteed the line of credit in the event of an unsecured default by the Hospital Authority. Each of the Counties separately agreed to pay the Authority, or its assigns, an amount equal to one-half of the principal and interest then due and payable on the note with a maximum liability of $10,000,000 each.

To the extent necessary to honor its obligations the County shall levy an annual tax on taxable property located within the boundaries of Catoosa for the purpose of providing medical care or hospitalization for the indigent, sick and others entitled to the use of the Hospital, at such rate or rates, within the limits now prescribed or such higher limits as may hereafter be prescribed by the Hospital Authorities Law, as may be necessary to make the payments called for by the Agreement.

See Note 18 for subsequent event related to this contract.

(9) EMPLOYEE RETIREMENT PLANS:

Primary Government -

The Catoosa County Pension Plan is a defined contribution pension plan established by the County to provide benefits at retirement age to full-time, permanent employees of the County. This plan is administered by trustees appointed by the Board of Commissioners. Participation in the plan is elective, subject to certain eligibility requirements. At September 30, 2012, there were approximately 200 participants in the plan. Participants are required to contribute 3% of covered salary, and the County is required to contribute 7%. For the year ended September 30, 2012, employer and employee contributions were $570,803 and $244,630, respectively. Plan provisions and contribution requirements are established and may be amended by the Catoosa County Board of Commissioners.

Catoosa County Development Authority -

The Catoosa County Development Authority has no employees and, therefore, no pension plan.

Catoosa County Health Department -

All permanent personnel of the Health Department are covered by the Employee's Retirement System of Georgia (ERS), a cost-sharing, multiple-employer retirement system administered by the State of Georgia for the benefit of public employees. Complete pension disclosures are in the Health Department's separately issued financial statements. Actuarially determined employer contribution requirements were met for the year ended June 30, 2010, the latest year for which an actuarial study has been completed. Condensed disclosures for the Health Department's defined benefit plan are as follows:

Year Ended	Annual Required Contribution	Percentage of APC Contributed	Annual Pension Cost	Net Pension Obligation
6/30/10	$ 263,064	100%	$ 263,064	$ -
6/30/09	$ 281,205	100%	$ 281,206	$ -
6/30/08	$ 286,256	100%	$ 286,256	$ -

(10) CONDUIT DEBT:

The Catoosa County Development Authority has special limited obligations related to various projects that represent conduit debt obligations. Conduit debt obligations are limited-obligation bonds or similar instruments issued by a governmental unit to provide capital financing for a third

(10) CONDUIT DEBT (Continued):

party that is not part of the reporting entity. Debt proceeds are typically used to finance development of industry, hospital, or environmental facilities within the governmental unit's jurisdiction that are transferred to the third party by sale or lease. The governmental unit has no obligation for the debt beyond the resources received from the third party by sale or lease. The obligations issued by the Development Authority do not constitute an indebtedness or pledge of the faith and credit of the Development Authority or the County.

A summary of conduit debt obligations is as follows –

	Original Issue or Draws to Date	Interest Rate	Amount Outstanding 9/30/2012
Mohawk Carpet	$ 6,500,000	Variable	$ 6,500,000

(11) LITIGATION:

The County is currently the defendant in certain legal actions which are being vigorously defended. It is the opinion of management and legal counsel that these proceedings will not have a material effect on the financial position of the County.

(12) COMMITMENTS:

The County has construction commitments totaling $99,061. As of September 30, 2012, the remaining balance on these commitments totaled $57,397.

(13) LANDFILL CLOSURE AND POSTCLOSURE CARE COST:

Catoosa County operates the S.R. 151 Municipal Solid Waste Landfill. This facility is permitted for operation by the Georgia Department of Natural Resources Environmental Protection Division, which specifies the requirements for its design, operation, closure and postclosure care.

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

(13) LANDFILL CLOSURE AND POSTCLOSURE CARE COST (Continued):

Site 1 ceased operation in July, 1998. The certificate of closure was issued, and the thirty year postclosure care period began on July 15, 2003. The current estimate of postclosure care cost is approximately $99,596 per year. A liability of $2,091,513 represents 100% of the estimated postclosure care costs for Site 1.

Site 2 ceased operation in October, 2004. The certificate of closure was issued on July 10, 2008, and the thirty year postclosure care period began approximately one year later. The current estimate of postclosure care cost is approximately $186,636 per year. A liability of $5,039,159 represents 100% of the estimated postclosure care costs for Site 2.

The above estimates are based on what it would cost to perform postclosure care in 2012. Because of the potential for change, due to inflation, technology, or laws and regulations, actual costs may be higher, when the costs are actually incurred.

The County has complied with Environmental Protection Agency rules regarding financial assurance relative to projected closure and postclosure care costs.

(14) RISK FINANCING ACTIVITIES:

It is the policy of the County to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability and property and casualty, with a $25,000 deductible per claim. Settled claims have not exceeded commercial coverage in the past three fiscal years. Deductibles for which the County was responsible were $34,871, $222, and $49,159 for the fiscal years ended September 30, 2012, 2011, and 2010, respectively.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, Catoosa County became a member of the Association of County Commissioners of Georgia Workers' Compensation Self Insurance Fund. The effective date of membership was January 1, 1989. The liability of the fund to the employees of any employer (Catoosa County) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

(14) RISK FINANCING ACTIVITIES (Continued):

As a member of the Fund, the County is jointly and severally liable for the liabilities of the Fund. The County pays an annual premium to the Fund, based on the estimated payrolls in various job classifications. Based on the overall incidence of claims during the year, the Fund either distributes a dividend if the claims history has been better than expected, or assesses additional premiums if the claims history has been much worse than expected. The County participates in these dividends or assessments on a pro-rata basis, based on the County's actual payrolls as a percentage of the total payrolls in the Fund.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries and demanding compensation thereto, although such suits, other proceedings, allegations or demands may be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

(15) COMPENSATED ABSENCES:

The County has a policy of compensated annual vacation/personal leave from 6 to 40 days based upon years of service. The leave is cumulative and vesting, to a maximum of 320 hours, and any unused leave is payable upon the employee's termination, resignation, retirement, death, or request.

The County has a policy of compensated sick leave of 48 hours per year. The leave is cumulative and vesting, to a maximum of 160 hours, and any unused leave is payable upon termination, resignation, retirement or death. Any unused leave may be payable, under specific circumstances, upon request of the employee.

An estimated liability, in the amount of $347,492, for unpaid vacation and sick leave is recorded in the government-wide financial statements. There is no liability for business-type activities. None of the government activities liability is recorded in the fund financial statements, because any payments, even those which would be paid in the next twelve months, if susceptible to a reasonable estimate, are expected to be liquidated with future resources.

(15) COMPENSATED ABSENCES (Continued):

The Catoosa County Health Department provides for vacation and sick leave, with specific vesting options. Complete disclosures are in the Health Department's separately issued financial statements. An estimated liability, in the amount of $60,871 for unpaid vacation and sick leave is reported in the component units and government-wide statements of net assets.

(16) DEFICIT FUND EQUITY:

At September 30, 2012, the Solid Waste Management Authority has a net assets deficit in the amount of $4,207,046, resulting primarily from the liability for landfill postclosure care costs.

As discussed in Note 13, the Authority has a liability of approximately $7.1 million to fund the estimated postclosure care costs. Effective with the fiscal year ending September 30, 2012, the Solid Waste Management Authority has placed equipment in service which generates electricity from the methane generated by the landfill. The anticipated revenue from the sale of electricity is expected to fund a portion of the liability for postclosure care costs. It is anticipated that the County general government will fund the remaining balance.

(17) JOINT VENTURE:

Under Georgia law, the County, in conjunction with other cities and counties in the eleven county northwest Georgia area, is a member of the Coosa Valley Regional Development Center (RDC) and is required to pay annual dues thereto. During the year ended September 30, 2012, the County paid approximately $51,000 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected

(17) JOINT VENTURE (Continued):

official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from –

Coosa Valley Regional Development Center
P. O. Box 1793
Rome, Georgia 30162-1793

(18) BOND ANTICIPATION NOTE:

Subsequent to year end, Catoosa County, Georgia, as well as Walker County, Georgia, has agreed to pledge its credit backing to support $25,000,000 in short-term bond anticipation notes at 1% interest to assist Hutcheson Medical Center in paying off its debt service and getting operating capital to operate the Hospital. Hutcheson Medial Center has debt at approximately $70,000,000. The short term bond anticipation note will be converted to long-term bonds of $25,000,000 at 3.7% interest. There are several specific conditions added to both Counties ability to participate and provide the credit of the taxpayers as standby credit, most of which have to do with the make-up of the Hospital Authority, the appointment process of the Hospital Authority, the ability of the Counties to have input as to how the $25,000,000 will be used, the bond anticipation notes would be in the form of a line of credit and would not be drawn down immediately, the Hospital would be required to inform each of the Counties what they proposed to use the money for, Catoosa and Walker would have input and be able to approve the uses before draws were made so that the Counties can control the flow of funds. Most of the monies would be used to pay down or pay off the existing Medicare debt of $12,000,000 which would help the Hospital in its operation. The bonds would be paid first and foremost from the revenues of the Hospital and would be conditioned on Erlanger (who has a management agreement with the hospital) and Regions Bank (who has a significant amount of debt outstanding to the Hospital) both agreeing that the bond payments be made first before Erlanger or Regions is paid back any money and then and only then if the Hospital could not make its payments would Catoosa be responsible for half of the payment and Walker responsible for the other half

(19) SUBSEQUENT EVENTS:

Management has evaluated subsequent events through March 27, 2013, the date which this financial statement was available for issue.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budget			Variance with Final
	Original	Final	Actual	Budget
TAXES:				
Property taxes -				
Real property	$ 7,544,094	$ 7,653,489	$ 7,680,973	$ 27,484
Vehicle ad valorem	671,929	683,739	807,463	123,724
Mobile home ad valorem	51,131	49,571	49,573	2
Railroad ad valorem	-	-	2,432	2,432
Heavy duty equipment	13,377	3,127	3,137	10
Timber	53	53	913	860
Penalties and interest	325,000	349,000	349,710	710
	8,605,584	8,738,979	8,894,201	155,222
Other taxes -				
Intangible recording	172,000	252,000	253,096	1,096
Malt beverage	320,000	326,000	326,431	431
Local option sales tax	6,675,000	6,632,300	6,632,340	40
Insurance premium tax	2,102,273	2,147,755	2,147,756	1
Financial institutions	87,000	85,700	85,731	31
	9,356,273	9,443,755	9,445,354	1,599
	17,961,857	18,182,734	18,339,555	156,821
LICENSES AND FRANCHISES:				
Malt beverage licenses	4,000	4,000	4,150	150
Business licenses	12,000	11,890	11,890	-
Other licenses	-	300	300	-
Cable television franchises	340,000	314,200	314,236	36
	356,000	330,390	330,576	186
CHARGES FOR CURRENT SERVICES:				
Recreation fees	76,000	104,003	109,477	5,474
Concession income	75,000	80,000	81,780	1,780
Zoning fees	49,700	36,060	36,060	-
Inspection fees	130,000	150,000	153,333	3,333
	330,700	370,063	380,650	10,587
INTERGOVERNMENTAL:				
State revenue -				
Boarding State prisoners	140,000	48,750	48,784	34
Real estate transfer tax	32,000	41,000	41,263	263
State grants	24,000	-	-	-
	196,000	89,750	90,047	297

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budget			Variance with Final
	Original	Final	Actual	Budget
Other revenue -				
Federal financial assistance:				
Transportation grants	$ 207,731	$ 242,731	$ 243,144	$ 413
Juvenile services grant	1,200	1,200	3,388	2,188
Federal payments in lieu of taxes	445,000	442,000	442,046	46
Salary reimbursement	67,666	68,366	73,151	4,785
	721,597	754,297	761,729	7,432
	917,597	844,047	851,776	7,729
FINES, FEES AND FORFEITURES:				
Magistrate Court	175,000	161,640	161,650	10
Juvenile Court	5,000	2,200	2,237	37
Clerk of Courts	775,000	727,900	727,930	30
Probate Judge	914,000	735,900	736,228	328
Tax Commissioner	753,000	803,000	812,943	9,943
Sheriff	51,900	52,175	52,175	-
	2,673,900	2,482,815	2,493,163	10,348
INVESTMENT EARNINGS:				
Interest	300,000	162,750	162,773	23
OTHER:				
Animal control fees	35,500	32,500	32,576	76
Election qualifying fees	500	13,500	14,415	915
Theater admissions	80,200	85,200	86,951	1,751
Passenger fares	45,000	45,000	62,499	17,499
Building rentals	196,200	290,850	292,678	1,828
Vehicle grant	12,000	12,000	12,237	237
Prisoner reimbursements	100,000	98,800	98,813	13
Library fees	28,000	28,000	28,225	225
Fire service contract	130,381	167,917	167,917	-
Other income	112,894	117,461	118,017	556
	740,675	891,228	914,328	23,100
	23,280,729	23,264,027	23,472,821	208,794

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budget			Variance with Final
	Original	Final	Actual	Budget
EXPENDITURES:				
Judicial -				
Magistrate Court	$ 485,843	$ 497,020	$ 497,019	$ 1
Superior Court	325,446	264,358	264,357	1
Juvenile Court	376,427	376,427	370,689	5,738
Clerk of Court	644,586	615,146	531,086	84,060
Probate Judge	443,085	443,085	428,065	15,020
Public Defender	264,461	251,952	235,335	16,617
District Attorney	479,642	479,642	453,908	25,734
Total judicial	3,019,490	2,927,630	2,780,459	147,171
General Government -				
Board of Commissioners	260,750	261,296	261,293	3
County manager	194,171	189,671	179,339	10,332
County attorney	120,000	129,817	129,817	-
Finance	203,220	210,552	210,550	2
Finance administration	115,554	115,554	114,051	1,503
Purchasing	49,683	59,287	59,286	1
Information systems	100,230	105,173	105,173	-
Tax Commissioner	809,312	809,312	783,079	26,233
Tax Assessor	520,295	520,295	476,082	44,213
Elections	235,834	234,231	231,771	2,460
Malt Beverage Board	6,100	6,384	6,384	-
Public buildings	775,060	796,286	796,287	(1)
Projects administration	49,728	49,562	49,539	23
Other agencies	63,500	70,214	70,214	-
Risk management	180,000	225,417	225,416	1
Geographic information system	42,050	20,542	20,541	1
Human resources	117,300	117,300	114,767	2,533
Total general government	3,842,787	3,920,893	3,833,589	87,304
Public Safety -				
Sheriff	3,885,187	3,885,187	3,767,271	117,916
Traffic control	366,626	366,626	343,578	23,048
Jail operations	3,072,645	3,072,645	3,022,246	50,399
Coroner	66,105	66,105	59,351	6,754
Animal control	297,525	239,646	235,702	3,944
Emergency management	42,259	11,885	11,765	120
Ambulance service	150,000	150,000	150,000	-
Fire service	3,086,453	3,026,751	3,002,424	24,327
Total public safety	10,966,800	10,818,845	10,592,337	226,508

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budget			Variance with Final
	Original	Final	Actual	Budget
Public works -				
Roads and bridges	$ 2,111,222	$ 2,161,661	$ 2,161,663	$ (2)
Public works administration	60,889	57,295	57,111	184
Total public works	2,172,111	2,218,956	2,218,774	182
Health and Welfare -				
Public health	505,375	503,223	503,221	2
Public welfare	44,500	36,245	36,245	-
Public transportation	551,940	592,328	592,326	2
Total health and welfare	1,101,815	1,131,796	1,131,792	4
Housing and Development -				
Planning and zoning	213,427	204,875	204,793	82
Economic development	109,000	99,883	99,883	-
Agriculture Extension Service	98,475	98,475	85,373	13,102
Building inspection	129,808	129,389	129,304	85
Total housing and development	550,710	532,622	519,353	13,269
Culture and Recreation -				
Libraries	519,423	519,423	452,484	66,939
General recreation	355,977	331,845	331,826	19
Jack Mattox Recreation Park	225,295	213,191	213,188	3
County recreation programs	45,000	45,000	45,000	-
Elsie Holmes Nature Park	13,146	10,693	10,669	24
Adult Literacy Center	120,532	124,101	124,098	3
Senior Center	103,199	91,598	91,599	(1)
Amphitheater	4,000	3,594	3,594	-
Colonnade/Civic Center	354,346	361,734	361,706	28
Total culture and recreation	1,740,918	1,701,179	1,634,164	67,015
Debt Service -				
Principal	-	-	-	-
Interest	78,000	101,377	101,376	1
Total debt service	78,000	101,377	101,376	1
Total expenditures	23,472,631	23,353,298	22,811,844	541,454
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(191,902)	(89,271)	660,977	750,248

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budget			Variance with Final
	Original	Final	Actual	Budget
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	$ 10,000	$ 258,900	$ 258,928	$ 28
Insurance proceeds	-	19,300	19,307	7
Transfers to other funds	(313,098)	(188,929)	(188,929)	-
	(303,098)	89,271	89,306	35
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(495,000)	-	750,283	750,283
FUND BALANCES:				
Beginning	11,897,569	11,897,569	11,897,569	-
Ending	$ 11,402,569	$ 11,897,569	$ 12,647,852	$ 750,283

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

The budget is prepared on the same basis as the expenditures are presented, therefore no reconciliation between the budget basis and the basis under generally accepted accounting principles is required.

OTHER SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

CATOOSA COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2012

	Special Revenue									
	Confiscated Assets	Emergency 911	Multiple Grant	JCSA	State Grant for Library	DATE Program	Salary Reimbursement United States Treasury	Total	Capital Projects Grant Fund	Total Nonmajor Governmental Funds
ASSETS:										
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,329	$ 13,329
Due from other funds	37,973	15,804	62,935	315,611	10,411	74,009	-	516,743	108,804	625,547
Total assets	$ 37,973	$ 15,804	$ 62,935	$ 315,611	$ 10,411	$ 74,009	$ -	$ 516,743	$ 122,133	$ 638,876
LIABILITIES AND FUND BALANCES:										
Liabilities:										
Accounts payable	$ -	$ 4,233	$ 7,953	$ 10,945	$ 2,218	$ 4,614	$ -	$ 29,963	$ 27,190	$ 57,153
Deferred revenue	-	-	50,605	-	-	-	-	50,605	17,524	68,129
Total liabilities	-	4,233	58,558	10,945	2,218	4,614	-	80,568	44,714	125,282
Fund balances:										
Reserved for restricted activities	37,973	-	4,377	304,666	-	69,395	-	416,411	77,419	493,830
Unreserved	-	11,571	-	-	8,193	-	-	19,764	-	19,764
Total fund balances	37,973	11,571	4,377	304,666	8,193	69,395	-	436,175	77,419	513,594
Total liabilities and fund balances	$ 37,973	$ 15,804	$ 62,935	$ 315,611	$ 10,411	$ 74,009	$ -	$ 516,743	$ 122,133	$ 638,876

CATOOSA COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue									
	Confiscated Assets	Emergency 911	Multiple Grant	JCSA	State Grant for Library	DATE Program	Salary Reimbursement United States Treasury	Total	Capital Projects Grant Fund	Total Nonmajor Governmental Funds
REVENUES:										
Charges for services	$ -	$ 1,036,983	$ -	$ -	$ -	$ -	$ -	$ 1,036,983	$ -	$ 1,036,983
Intergovernmental	-	-	334,435	-	115,873	-	6,316	456,624	391,521	848,145
Fines, fees and forfeitures	36,468	-	-	134,347	-	71,555	-	242,370	-	242,370
Interest	-	-	-	-	-	-	-	-	159	159
Total revenues	36,468	1,036,983	334,435	134,347	115,873	71,555	6,316	1,735,977	391,680	2,127,657
EXPENDITURES:										
Current -										
Judicial	-	-	-	-	-	-	-	-	6,947	6,947
General government	-	-	-	-	-	-	-	-	27,014	27,014
Public safety	27,124	1,194,833	-	64,453	-	97,493	6,316	1,390,219	48,187	1,438,406
Public works	-	-	-	-	-	-	-	-	220,588	220,588
Health and welfare	-	-	334,845	-	-	-	-	334,845	-	334,845
Culture and recreation	-	-	-	-	107,131	-	-	107,131	-	107,131
Capital outlay	-	14,491	1,500	-	-	-	-	15,991	28,409	44,400
Total expenditures	27,124	1,209,324	336,345	64,453	107,131	97,493	6,316	1,848,186	331,145	2,179,331
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,344	(172,341)	(1,910)	69,894	8,742	(25,938)	-	(112,209)	60,535	(51,674)
OTHER FINANCING SOURCES:										
Transfer from other funds	-	188,929	-	-	-	-	-	188,929	-	188,929
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	9,344	16,588	(1,910)	69,894	8,742	(25,938)	-	76,720	60,535	137,255
FUND BALANCES:										
Beginning	28,629	(5,017)	6,287	234,772	(549)	95,333	-	359,455	16,884	376,339
Ending	$ 37,973	$ 11,571	$ 4,377	$ 304,666	$ 8,193	$ 69,395	$ -	$ 436,175	$ 77,419	$ 513,594

AGENCY FUNDS

Agency funds are used to account for funds collected by the County as an agent for individuals, private organizations, other governments, and other funds.

CATOOSA COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
SEPTEMBER 30, 2012

	Beginning	Additions	Deductions	Ending
ASSETS:				
Cash and cash equivalents -				
Tax Commissioner	$ 728,683	$ 33,446,177	$ 33,426,264	$ 748,596
Clerk of Superior Court	844,044	3,508,877	3,892,369	460,552
Magistrate Court	3,654	370,635	367,788	6,501
Probate Judge	37,529	1,079,490	1,078,698	38,321
Sheriff	30,311	381,808	401,048	11,071
Total assets	$ 1,644,221	$ 38,786,987	$ 39,166,167	$ 1,265,041
LIABILITIES:				
Due to other funds -				
Tax Commissioner	$ -	$ 9,023,193	$ 9,023,193	$ -
Clerk of Superior Court	-	1,168,687	1,168,687	-
Magistrate Court	-	167,358	167,358	-
Probate Judge	-	812,349	812,349	-
Sheriff	-	144,267	144,267	-
	-	11,315,854	11,315,854	-
Due to other governments -				
Tax Commissioner	728,683	24,422,984	24,403,071	748,596
	728,683	24,422,984	24,403,071	748,596
Due to heirs, litigants and others -				
Clerk of Superior Court	844,044	2,340,190	2,723,682	460,552
Magistrate Court	3,654	203,277	200,430	6,501
Probate Judge	37,529	267,141	266,349	38,321
Sheriff	30,311	237,541	256,781	11,071
	915,538	3,048,149	3,447,242	516,445
Total liabilities	$ 1,644,221	$ 38,786,987	$ 39,166,167	$ 1,265,041

FINANCIAL SCHEDULES

CATOOSA COUNTY, GEORGIA
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Levy Year					
	2011	2010	2009	2008	Prior to 2008	Total
TAXES RECEIVABLE, Beginning	$ -	$ 225,842	$ 54,466	$ 3,260	$ 1,054	$ 284,622
TAX LEVY	7,620,313	-	-	-	-	7,620,313
ADJUSTMENTS: Releases, net of pickups	(29,841)	(7,450)	(7,604)	(4,259)	(4,131)	(53,285)
COLLECTIONS	(7,403,560)	(178,805)	(40,623)	1,320	3,395	(7,618,273)
TAXES RECEIVABLE, Ending	$ 186,912	$ 39,587	$ 6,239	$ 321	$ 318	$ 233,377

INTERNAL CONTROL AND COMPLIANCE SECTION

CATOOSA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Pass-Through Number	Beginning Accrued (Deferred)	Cash Receipts (Refunds)	Expenditures	Ending Accrued (Deferred)
U.S. Department of Health and Human Services:						
Substance Abuse and Mental Health Services	93.243	441-93-11110293-01	$ (108,567)	$ 100,000	$ 160,768	$ (47,799)
Substance Abuse and Mental Health Services	93.959		-	128,641	125,835	(2,806)
Election Improvements	93.617		-	11,996	11,996	-
Total Health and Human Services			(108,567)	240,637	298,599	(50,605)
U.S. Department of Transportation:						
Pass-through from Georgia Department of Transportation - Mass Transportation Assistance	20.507	TT003549	-	60,298	119,161	58,863
	20.507	TT003878	64,302	123,165	130,294	71,431
Total Department of Transportation			64,302	183,463	249,455	130,294
U.S. Department of Housing and Urban Development:						
Pass-through from Georgia Department of Community Affairs - Community Development Block Grant	14.218	10p-y-023-1-5228	6,262	438,738	432,476	-
Total Department of Housing and Urban Development			6,262	438,738	432,476	-
U.S. Department of Homeland Security:						
Disaster Grants - Public Assistance	97.036	047-99047-00	3,476,843	2,888,127	168,538	757,254
Pass-through from Georgia Emergency Management Agency - Emergency Management Performance Grants	97.042	P08-9-141	15,985	19,183	19,183	15,985
	97.042	P09-9-123	3,500	3,500	-	-
	97.042	1858-0500	-	21,250	25,394	4,144
	97.042	FY2009 SS-T9-0047	-	-	2,525	2,525
	97.042		-	541	541	-
			19,485	44,474	47,643	22,654
Pass-through from Georgia Office of Homeland Security - Creek Debris Removal	10.923	65-4310-12-41	-	52,821	52,821	-
Total Department of Homeland Security			3,496,328	2,985,422	269,002	779,908
U.S. Department of Justice:						
Byrne Justice Assistance Grant	16.738	2009-DJ-BX-0764	-	4,688	4,688	-
Total Department of Justice			-	4,688	4,688	-
Appalachian Regional Commission						
Appalachian Area Development Project	23.002		-	108,621	108,621	-
Total Appalachian Regional Commission			-	108,621	108,621	-
Total Federal Awards			$3,458,325	$ 3,961,569	$ 1,362,841	$ 859,597

NOTES TO SCHEDULE OF FEDERAL AWARDS:

The Schedule of Federal Awards is prepared on the modified accrual basis of accounting.

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

To the Board of Commissioners
Catoosa County, Georgia:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catoosa County, Georgia as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 27, 2013. We did not audit the financial statements of the Catoosa County Health Department, which represent 26%, 100%, and 76%, respectively, of the assets, positive net assets, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Catoosa County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

Internal Control Over Financial Reporting

The County's management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal controls* 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 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.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified 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 (2012-1). 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.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, state regulatory agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Johnson, Nickey & Meacham, P.C.

March 27, 2013

JOHNSON HICKEY MURCHISON
CERTIFIED PUBLIC ACCOUNTANTS • SINCE 1977

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Catoosa County, Georgia:

Compliance

We have audited Catoosa County, Georgia's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Catoosa County, Georgia's major federal programs for the year ended September 30, 2012. Catoosa County, Georgia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, Catoosa County, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

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Internal Control Over Compliance

The management of Catoosa County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Johnson, Nickey & Meacham, P.C.

March 27, 2013

CATOOSA COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SUMMARY OF AUDIT RESULTS:

The auditors' report expresses an unqualified opinion on the financial statements of Catoosa County, Georgia.

One significant deficiency was reported. No material weaknesses were reported.

No instances of noncompliance material to the financial statements were reported.

No significant deficiencies or material weaknesses over the major programs were reported.

The auditor's report on compliance with the material compliance requirements of the major federal award programs expressed an unqualified opinion.

The programs tested as major programs were:

CFDA #14.218 Community Development Block Grant
CFDA #93.243 Substance Abuse & Mental Health Services
CFDA #93.959 Block Grants for Prevention & Treatment of Substance Abuse

The threshold for distinguishing Types A and B programs was $300,000.

Catoosa County, Georgia was determined to be a high-risk auditee.

FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS*

Significant Deficiencies

Current Year Findings –

2012-1 Capital Asset Purchases Without Proper Quotes:

Condition:

During the year under audit, a 2009 Ford Passenger Van was purchased for $14,491. Proper quotes were not received for this purchase. The only quotes provided to auditors were print outs from Auto Trader. This does not serve as proper, competitive quotes.

Criteria:

County policy states that any purchase of goods over $500 but less than $15,000 must receive 3 competitive quotes before the item can be purchased.

Current Year Findings (Continued) -

2012-1 Capital Asset Purchases Without Proper Quotes (Continued) -

Effect:

Because of this significant deficiency, capital assets may be purchased at amounts not the most cost effective to the County.

Recommendation:

Management should ensure that no goods are purchased without the proper quotes.

Response:

Management has implemented corrective action to ensure that no goods are purchased without proper quotes, mainly making sure that all responsible parties involved in the procurement process are aware that not all internet quotes qualify as competitive quotes.

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None reported

SPECIAL LOCAL OPTION
SALES TAX

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INDEPENDENT AUDITORS' REPORT ON SPECIAL 1 PERCENT SALES AND USE TAX

To the Board of Commissioners
Catoosa County, Georgia:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catoosa County, Georgia as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 27, 2013. We have also audited the accompanying schedules of the County's projects constructed with special local option sales tax funds, for the year ended September 30, 2012, (the specific projects allowed having been identified in resolutions dated April 3, 2003, and June 17, 2008, calling for imposition of the special sales and use tax authorized by Section 48-8-110 OCGA). These schedules are the responsibility of the management of Catoosa County, Georgia. Our responsibility is to express an opinion on the schedules based on our audit.

We conducted our audit of the schedules in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedules of the County's projects constructed with special local option sales tax funds are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedules of the County's projects constructed with special local option sales tax funds, as referred to above, present fairly, in all material respects, the amounts of projects constructed with proceeds from the County's special local option sales tax for the year ended September 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, and state regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Johnson, Hickey & Murchison, P.C.

March 27, 2013

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CATOOSA COUNTY, GEORGIA
NOTE TO SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

(1) ADJUSTMENTS:

Due to reporting errors for earlier years, debt service payments on public safety and public works equipment leases were reported on more than one line item. The adjustment to the prior years' balance is to reflect the correction of the duplicate reporting.

CATOOSA COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROJECTS - 2004 CYCLE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

PROJECT	ORIGINAL ESTIMATED COST	REALLOCATIONS	REVISED ESTIMATED COSTS	EXPENDITURES PRIOR YEARS	EXPENDITURES ADJUSTMENTS	EXPENDITURES CURRENT YEAR	EXPENDITURES TOTAL	PERCENTAGE OF COMPLETION	CUMULATIVE OTHER FUNDING
Fort Oglethorpe sewer, water and capital outlay projects	$ 5,461,000	$ -	$ 5,461,000	$ 5,609,689	$ -	$ -	$ 5,609,689	103%	$ 341,362
Ringgold sewer, water and capital outlay projects	1,935,000	-	1,935,000	1,986,126	-	-	1,986,126	103%	69,881
Catoosa Utility District water projects	2,500,000	-	2,500,000	2,562,322	-	-	2,562,322	102%	59,612
Fort Oglethorpe sewer projects	2,000,000	-	2,000,000	1,789,112	-	-	1,789,112	89%	-
Catoosa County sewer projects	16,190,000	-	16,190,000	11,434,348	-	1,330,163	12,764,511	79%	438,738
Stormwater projects	2,000,000	-	2,000,000	1,998,628	-	-	1,998,628	100%	-
Keith projects	637,000	-	637,000	652,763	-	-	652,763	102%	-
Recreation	2,000,000	-	2,000,000	1,707,336	-	12,495	1,719,831	86%	-
Public safety equipment	5,015,000	-	5,015,000	4,907,797	-	101,206	5,009,003	100%	-
Public works vehicles	685,000	-	685,000	701,950	-	-	701,950	102%	-
Multi-purpose buildings	550,000	-	550,000	563,610	-	-	563,610	102%	-
Roads and bridges	2,000,000	-	2,000,000	2,261,965	-	-	2,261,965	113%	161,611
Library enhancement	350,000	-	350,000	350,977	-	4,303	355,280	102%	-
	$ 41,323,000	$ -	$ 41,323,000	$ 36,526,623	$ -	$ 1,448,167	$ 37,974,790		$ 1,071,204

Reconciliation of current year expenditures -

SPLOST 2004 expenditures per financial statements	$ 1,448,167
Less debt service principal	-
	$ 1,448,167

CATOOSA COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROJECTS - 2009 CYCLE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

PROJECT	ORIGINAL ESTIMATED COST	REALLOCATIONS	REVISED ESTIMATED COSTS	EXPENDITURES PRIOR YEARS	EXPENDITURES ADJUSTMENTS	EXPENDITURES CURRENT YEAR	EXPENDITURES TOTAL	PERCENTAGE OF COMPLETION	CUMULATIVE OTHER FUNDING
Fort Oglethorpe sewer, water and capital outlay projects	$ 7,112,000	$ -	$ 7,112,000	$ 1,787,138	$ -	$ 1,203,479	$ 2,990,617	42%	$ 26,985
Ringgold sewer, water and capital outlay projects	2,520,000	-	2,520,000	4,629	-	202,635	207,264	8%	24,572
Catoosa Utility District water projects	4,000,000	-	4,000,000	865,715	-	981,338	1,847,053	46%	14,781
Catoosa County sewer projects	15,750,000	-	15,750,000	539,119	-	4,177,360	4,716,479	30%	-
Recreation	2,000,000	-	2,000,000	425,264	-	101,968	527,232	26%	-
Public Safety equipment	5,509,000	-	5,509,000	2,133,734	-	107,754	2,241,488	41%	-
Public works vehicles	1,500,000	-	1,500,000	214,128	-	343,853	557,981	37%	-
Multi-purpose buildings	1,190,000	-	1,190,000	53,514	-	69,899	123,413	10%	-
Roads, buildings, and stormwater	9,869,000	-	9,869,000	1,258,459	-	2,986,627	4,245,086	43%	1,038,596
Library enhancement	500,000	-	500,000	-	-	-	-	0%	-
Economic development	2,000,000	-	2,000,000	646,864	-	368,104	1,014,968	51%	-
GIS department	400,000	-	400,000	30,261	-	21,850	52,111	13%	-
Historical tourism/greenspace	750,000	-	750,000	44,811	-	72,046	116,857	16%	-
	$ 53,100,000	$ -	$ 53,100,000	$ 8,003,636	$ -	$ 10,636,913	$ 18,640,549		$ 1,104,934

Reconciliation of current year expenditures -

SPLOST 2009 expenditures per financial statements	$ 11,083,917
Less debt service principal	(447,004)
	$ 10,636,913