CLINCH COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For The Year Ended July 31, 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Clinch County, Georgia

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Clinch County, Georgia as of and for the year ended July 31, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Clinch County, Georgia's, management. Our responsibility is to express opinions on these financial statements based on our audit.

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 provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Clinch County, Georgia as of July 31, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2013, on our consideration of Clinch County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in accessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 3 through 9) and budgetary comparison information (on pages 38 through 42) 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 Clinch County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and the Schedule of Projects Constructed With Special Sales Tax Proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements of Clinch County, Georgia. The combining and individual nonmajor fund statements and the Schedule of Projects Constructed With Special Sales Tax Proceeds and the Revolving Loan Fund Supplementary Information 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 financial statements as a whole.

Tillman & Tillman LLP

Tillman & Tillman, LLP

Valdosta, Georgia
May 10, 2013

CLINCH COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended July 31, 2012

As Management of the Clinch County, Georgia, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the year ending July 31, 2012. We encourage our readers to consider the information presented within this Management's discussion and analysis in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

Financial Highlights

Key financial highlights for FY12 are as follows:

The County's total net assets decreased by $1,308,814.

The County's governmental fund assets exceeded its liabilities at July 31, 2012 by $ 2,467,918 (net assets). Of this amount $883,067 (unassigned net assets) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current year, fund balance for the General Fund increased by $327,466 resulting in a fund balance of $1,274,154.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions.

The County's basic financial statements are comprised of three components: the government -wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status in a manner similar to a private-sector business.

The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail that the government-wide statements.

Government-Wide Financial Statements

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

Statement of Net Assets and the Statement of Activities

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. The statement of activities presents information showing how the County's net assets changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net assets is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, non-financial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the statement of net assets and the statement of activities, the County is divided into two kinds of activities:

Governmental Activities - Most of the County's programs and services are reported here, including general government, judicial, public safety, public works, health and human services, culture and recreation and housing and development. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

Component Unit - The County's financial statements include financial data of the Clinch County, Georgia Board of Health. This component unit is described in the notes to the financial statements. This component unit is separate and may buy, sell, lease, and mortgage property in its own name and can sue or be sued in its own name.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental fund is General Fund.

Governmental Funds—Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

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

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

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

Other Information—In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Assets:

Clinch County's Net Assets

	Governmental Activities		Total Percentage Change
	Restated 2011	2012	2011-2012
Assets			
Current and other assets	$ 2,715,798	$ 2,758,099	1.56%
Capital assets, net	19,082,642	17,658,015	-7.47%
Total Assets	**21,798,440**	**20,416,114**	-6.34%
Liabilities			
Current and other liabilities	228,727	200,820	-12.20%
Long-term liabilities	779,792	734,187	-5.85%
Total Liabilities	**1,008,519**	**935,007**	-7.29%
Net Assets			
Invested in capital assets, net of related debt	18,264,790	16,896,534	-7.49%
Restricted	1,136,018	605,550	-46.70%
Unrestricted	1,389,113	1,979,023	42.47%
Total Net Assets	**$ 20,789,921**	**$ 19,481,107**	-6.30%

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by $19,481,107 as of July 31, 2012. A large portion of the County's net assets (88%) reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (5.4 percent) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets ($1,451,710) may be used to meet the County's ongoing obligations to citizens and creditors.

The next table shows the changes in net assets for the year ending July 31, 2012.

Changes in Clinch County's Net Assets

	Governmental Activities		Total Percentage Change
	Restated 2011	2012	2011-2012
Revenues			
Program Revenues			
Charges for services	$ 610,295	$ 620,997	1.75%
Operating grants and contributions	1,002,177	616,430	-38.49%
Capital grants and contributions	253,327	407,248	60.76%
Total Program Revenues	1,865,799	1,644,675	-11.85%
General Revenues			
Property taxes	2,507,451	2,525,247	0.71%
Sales taxes	1,129,596	1,100,752	-2.55%
Timber taxes	218,553	202,515	-7.34%
Insurance premium taxes	162,300	154,298	-4.93%
Other taxes	83,958	68,580	-18.32%
Interest, penalties and costs - taxes	74,858	65,060	-13.09%
Investment earnings	26,080	21,258	-18.49%
Miscellaneous	40,076	16,990	-57.61%
Total General Revenues	4,242,872	4,154,700	-2.08%
Total Revenues	**6,108,671**	**5,799,375**	**-5.06%**
Expenses			
Governmental Activities:			
General Government			
Legislative and executive	$ 1,426,913	$ 1,541,556	8.03%
Judicial	468,982	470,977	0.43%
Public safety	1,469,740	1,509,956	2.74%
Public works	3,267,671	3,225,294	-1.30%
Health and welfare	162,899	168,826	3.64%
Culture and recreation	66,342	73,409	10.65%
Housing and development	93,577	89,620	-4.23%
Interest on long-term debt	11,386	28,551	150.76%
Total Expenses	6,967,510	7,108,189	2.02%
Change in Net Assets	**(858,839)**	**$ (1,308,814)**	**52.39%**
Net Assets, Beginning	21,648,760	20,789,921	-3.97%
Net Assets, Ending	**$ 20,789,921**	**$ 19,481,107**	**-6.30%**

Governmental Activities

The following table provides the total cost of services and the net cost of services for the governmental activities. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting these services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Net Cost of Clinch County's Governmental Activities

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
Function	**2011**	**2012**	**2011-2012**	**2011**	**2012**	**2011-2012**
General Government						
Legislative and executive	$ 1,426,913	$ 1,541,556	8.03%	$ 1,107,093	$ 1,264,455	14.21%
Judicial	468,982	470,977	0.43%	145,269	171,475	18.04%
Public safety	1,469,740	1,509,956	2.74%	927,840	1,083,942	16.82%
Public works	3,267,671	3,225,294	-1.30%	2,628,875	2,617,221	-0.44%
Health and welfare	162,899	168,826	3.64%	121,329	134,841	11.14%
Culture and recreation	66,342	73,409	10.65%	66,342	73,409	10.65%
Housing and development	93,577	89,620	-4.23%	93,577	89,620	-4.23%
Interest on long-term debt	11,386	28,551	150.76%	11,386	28,551	150.76%
Total	**$ 6,967,510**	**$ 7,108,189**	**2.02%**	**$ 5,101,711**	**$ 5,463,514**	**7.09%**

Financial Analysis of County Funds

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

Governmental Funds

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

As of July 31, 2012, the County's governmental funds reported a combined ending fund balance of $2,467,918, an increase of $26,846. Approximately 36% of this total ($883,067) represents unassigned fund balance, which is available for spending at the County's discretion but is currently held for adequate fund balance reserves for daily operations.

The General Fund is the primary operating fund of the County. At the end of July 31, 2012, the unassigned fund balance was $ 883,067.

Budgetary Highlights

By State statute, the Board of County Commissioners adopts the annual operating budget for the fiscal year on or before the fist day of the fiscal year. Changes were made to the adopted budget in some departments due to greater than expected expenditures such as rising gas prices and other unexpected cost and were offset by revenues exceeding the original budget.

Capital Assets

The County's investment in capital assets for governmental as of July 31, 2012, was $17,658,015 (net of accumulated depreciation and related debt). This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, furniture and fixtures, vehicles and infrastructure.

Major capital asset events during FY12 included the acquisition of vehicles and equipment for various County departments and road improvements.

Note 6 (Capital Assets) provides additional information about capital asset activity during FY12.

Debt

At July 31, 2012, the County had total capital lease debt outstanding of $761,481.

In addition to the capital leases, the County's long-term obligations include compensated absences. Notes 8 and 9 provide information regarding these liabilities.

Economic Factors

Reduced expenditures contributed to an increase in the fund balance in the General Fund.

The County taxable digest went up by 2.15% in FY12.

Local option sales tax decreased 5% in FY12.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Clinch County Commission, County Clerk, 22 Court Square, Suite B, Homerville, Georgia 31634.

Component unit financial statements can be obtained from the Southeast Health District office and should be addressed to the Finance Director, 604 Riverside Avenue, Waycross, Georgia 31501.

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CLINCH COUNTY, GEORGIA
STATEMENT OF NET ASSETS
July 31, 2012

	Primary Government		Component Unit
	Governmental Activities	Total	Clinch County Board of Health
ASSETS			
Cash	$ 2,273,301	$ 2,273,301	$ 123,333
Taxes receivable	153,269	153,269	-
Accounts receivable	40,206	40,206	-
Notes receivable	134,295	134,295	-
Due from other governments	122,081	122,081	7,830
Net pension obligation asset	34,947	34,947	-
Nondepreciable capital assets	105,130	105,130	-
Depreciable capital assets, net	17,552,885	17,552,885	6,752
TOTAL ASSETS	20,416,114	20,416,114	137,915
LIABILITIES			
Accounts payable	62,206	62,206	-
Accrued liablities	28,133	28,133	-
Due to other governments	35,707	35,707	-
Long-term liabilities:			
Due within one year:			
Capital leases payable	46,286	46,286	-
Compensated absences	28,488	28,488	10,572
Due in more than one year:			
Capital leases payable	715,195	715,195	-
Compensated absences	18,992	18,992	10,572
TOTAL LIABILITIES	935,007	935,007	21,145
NET ASSETS			
Invested in capital assets (net of related debt)	16,896,534	16,896,534	6,752
Restricted for:			
Capital projects	197,042	197,042	-
Jail operations	14,117	14,117	-
Purposes designated by referendum	299,022	299,022	-
Drug enforcement	88,039	88,039	-
Law library	7,330	7,330	-
Prior year program income	-	-	91,503
Unrestricted	1,979,023	1,979,023	18,515
TOTAL NET ASSETS	$ 19,481,107	$ 19,481,107	$ 116,770

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

CLINCH COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For The Year Ended July 31, 2012

FUNCTION/PROGRAM	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions, and Interest	Program Revenues: Capital Grants, Contributions, and Interest
Primary Government:				
GOVERNMENTAL ACTIVITIES				
General government				
Legislative	$ 1,541,556	$ 185,239	$ 91,862	$ -
Judicial	470,977	175,274	124,228	-
Public Safety	1,509,956	25,674	400,340	-
Public Works	3,225,294	200,825	-	407,248
Health and Welfare	168,826	33,985	-	-
Culture and Recreation	73,409	-	-	-
Housing and Development	89,620	-	-	-
Interest on Long-term Debt	28,551	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	7,108,189	620,997	616,430	407,248
TOTAL PRIMARY GOVERNMENT	$ 7,108,189	620,997	616,430	407,248
COMPONENTS UNITS				
Clinch County Board of Health	$ 354,892	$ 91,503	$ 229,201	$ -
TOTAL COMPONENT UNITS	$ 354,892	$ 91,503	$ 229,201	$ -
GENERAL REVENUES				
Property taxes, levied for general purposes				
Timber taxes				
Sales taxes				
Real estate transfer taxes				
Railroad equipment car taxes				
Insurance premium taxes				
Beer and wine taxes				
Intangible recording taxes				
Interest, penalties and costs - delinquent taxes				
Cable franchise tax				
Interest on bank deposits				
Other revenues				
TOTAL GENERAL REVENUES				
CHANGES IN NET ASSETS				
RESTATED BEGINNING NET ASSETS				
NET ASSETS AT END OF YEAR				

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

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		Component Unit
Governmental Activities	Total	Clinch County Board of Health
$ (1,264,455)	$ (1,264,455)	$ -
(171,475)	(171,475)	-
(1,083,942)	(1,083,942)	-
(2,617,221)	(2,617,221)	-
(134,841)	(134,841)	-
(73,409)	(73,409)	-
(89,620)	(89,620)	-
(28,551)	(28,551)	-
(5,463,514)	(5,463,514)	-
(5,463,514)	(5,463,514)	-
$ -	$ -	$ (34,188)
$ -	$ -	$ (34,188)
2,525,247	2,525,247	-
202,515	202,515	-
1,100,752	1,100,752	-
8,159	8,159	-
31,580	31,580	-
154,298	154,298	-
2,887	2,887	-
13,995	13,995	
65,060	65,060	-
11,959	11,959	
21,258	21,258	-
16,990	16,990	-
4,154,700	4,154,700	-
(1,308,814)	(1,308,814)	(34,188)
20,789,921	20,789,921	150,958
$ 19,481,107	$ 19,481,107	$ 116,770

CLINCH COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
July 31, 2012

	General Fund	Capital Projects Funds: Special Purpose Sales Tax Fund	Capital Projects Funds: 2010 Special Purpose Sales Tax Fund	Revolving Loan Fund	South Georgia Drug Task Force Fund	Other Governmental Funds	Total
ASSETS							
Cash	$ 1,252,151	$ 197,042	$ 520,953	$ 164,727	$ 80,309	$ 58,119	$ 2,273,301
Taxes receivable	153,269	-	-	-	-	-	153,269
Accounts receivable	39,377	-	-	-	-	829	40,206
Note receivable	-	-	-	134,295	-	-	134,295
Due from other governments	32,072	-	64,401	-	12,108	13,500	122,081
Interfund receivable	16,812	-	-	-	-	-	16,812
TOTAL ASSETS	1,493,681	197,042	585,354	299,022	92,417	72,448	2,739,964
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	62,206	-	-	-	-	-	62,206
Accrued liabilities	19,338	-	-	-	-	-	19,338
Interfund payable	-	-	-	-	12,312	4,500	16,812
Due to other governments	-	-	35,707	-	-	-	35,707
Deferred revenues	137,983	-	-	-	-	-	137,983
TOTAL LIABILITIES	219,527	-	35,707	-	12,312	4,500	272,046
FUND BALANCES							
Restricted for:							
Capital projects	-	197,042	549,647	-	-	-	746,689
Jail operations	-	-	-	-	-	14,117	14,117
Purposes designated by referendum	-	-	-	299,022	-	-	299,022
Drug enforcement	-	-	-	-	80,105	7,934	88,039
Drug education and treatment	-	-	-	-	-	8,869	8,869
Law library	-	-	-	-	-	7,330	7,330
Public safety	-	-	-	-	-	29,698	29,698
Assigned for:							
Designated for property tax roll back	391,087	-	-	-	-	-	391,087
Unassigned reported in:							
General Fund	883,067	-	-	-	-	-	883,067
TOTAL FUND BALANCES	1,274,154	197,042	549,647	299,022	80,105	67,948	2,467,918
TOTAL LIABILITIES AND FUND BALANCES	$ 1,493,681	$ 197,042	$ 585,354	$ 299,022	$ 92,417	$ 72,448	$ 2,739,964

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

CLINCH COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
July 31, 2012

Total Governmental Fund Balances		$ 2,467,918
Amounts report for governmental activities on the statement of net assets are different because of the following:		
Net Pension Obligation		
Pension assets resulting from contributions in excess of the annual required contribution		34,947
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 51,298,333	
Less accumulated depreciation	(33,640,318)	17,658,015
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental activities.		
Capital leases payable	(770,276)	
Compensated absences	(47,480)	(817,756)
Deferred revenue in governmental activities are susceptible to full accrual in the government-wide statement of net assets.		
Deferred revenues		137,983
Net Assets of Governmental Activities		$ 19,481,107

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

CLINCH COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For The Year Ended July 31, 2012

	General Fund	Capital Projects Funds: Special Purpose Sales Tax Fund	Capital Projects Funds: 2010 Special Purpose Sales Tax Fund	Revolving Loan Fund	South Georgia Drug Task Force Fund	Other Governmental Funds	Total
REVENUES							
Taxes	$ 3,352,640	$ -	$ 734,837	$ -	$ -	$ -	$ 4,087,477
Licenses and permits	14,323	-	-	-	-	-	14,323
Intergovernmental revenues	403,992	400,883	-	-	204,942	7,496	1,017,313
Charges for services	492,376	-	-	-	-	-	492,376
Fines and forfeitures	75,178	-	-	-	14,362	24,758	114,298
Investment income	13,308	3,454	2,911	6,545	1,196	209	27,623
Miscellaneous	2,875	-	-	-	1,790	-	4,665
TOTAL REVENUES	4,354,692	404,337	737,748	6,545	222,290	32,463	5,758,075
EXPENDITURES							
Current:							
General Government							
Legislative and executive	1,472,815	-	-	-	-	5,800	1,478,615
Judicial	455,449	-	-	-	-	4,031	459,480
Public safety	1,057,376	-	-	-	300,018	22,155	1,379,549
Public works	717,935	211,252	-	-	-	-	929,187
Health and welfare	168,826	-	-	-	-	-	168,826
Culture and recreation	67,742	-	-	-	-	-	67,742
Housing and development	86,760	-	-	-	-	-	86,760
Intergovernmental expense	-	-	407,356	-	-	-	407,356
Capital outlay	-	575,365	106,049	-	-	-	681,414
Debt service							
Principle retirement	11,355	44,719	-	-	-	-	56,074
Interest	293	28,258	-	-	-	-	28,551
TOTAL EXPENDITURES	4,038,551	859,594	513,405	-	300,018	31,986	5,743,554
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	316,141	(455,257)	224,343	6,545	(77,728)	477	14,521
OTHER FINANCING SOURCES (USES):							
Proceeds of capital asset dispositions	12,325	-	-	-	-	-	12,325
Transfer in	-	-	-	-	1,000	-	1,000
Transfer out	(1,000)	-	-	-	-	-	(1,000)
TOTAL OTHER FINANCING SOURCES (USES):	11,325	-	-	-	1,000	-	12,325
NET CHANGE IN FUND BALANCE	327,466	(455,257)	224,343	6,545	(76,728)	477	26,846
FUND BALANCE, RESTATED	946,688	652,299	325,304	292,477	156,833	67,471	2,441,072
FUND BALANCE AT END OF YEAR	$ 1,274,154	$ 197,042	$ 549,647	$ 299,022	$ 80,105	$ 67,948	$ 2,467,918

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

CLINCH COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended July 31, 2012

Net Change in Fund Balances - Total Governmental Funds		$ 26,846
Amounts report for governmental activities in the statement of activities are different because of the following:		
Net Pension Obligation		
Change in pension assets resulting from contributions in excess of the annual required contribution		4,807
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	652,211	
Current year depreciation expense	(2,076,839)	(1,424,628)
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Net change in deferred revenues - property taxes		28,976
Some expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds:		
Net change in long-term compensated absences		(1,703)
Repayment of principal on debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of activities:		
Payments on long-term debt		56,888
Change in Net Assets of Governmental Activities		$ (1,308,814)

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

CLINCH COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
July 31, 2012

	Agency Funds
ASSETS	
Cash	$ 154,770
TOTAL ASSETS	$ 154,770
LIABILITIES	
Due to others	$ 154,770
TOTAL LIABILITIES	154,770
NET ASSETS	$ -

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

Note 1 – Reporting Entity

The Entity. These financial statements present Clinch County, Georgia (the primary government) which is governed by an elected board and the Clinch County Board of Health, a discreetly presented component unit. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/ burden on the county
- there is a fiscal dependency by the organization of the County

Based on the criteria of GASB 2100, the following entity is considered a component unit of Clinch County, Georgia:

The Clinch County Board of Health is a component unit based on the criteria of the County appointing a voting majority to the board, the County's ability to impose its will and fiscal dependency. The balance sheet and statement of revenues, expenditures, and changes in fund balance for Clinch County Board of Health are presented in these financial statements using the method of discrete presentation. A complete set of financial statements for the Clinch County Board of Health is presented in a separate report and can be obtained from the Southeast Health District office and should be addressed to the Finance Director, 604 Riverside Avenue, Waycross, Georgia 31501. Clinch County provided $64,918 in funding to the Board of Health for the year ending July 31, 2012

Joint Ventures The County, in conjunction with cities and counties in the (16) county Southeast Georgia area are members of the Southern Georgia Regional Commission. Membership in the Regional Commission is automatic for each municipality and county in the state. The official Code Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the Regional Commission's. Each county and municipality in the state is required by law to pay minimum annual dues to the Regional Commission. The County paid annual dues in the amount of $5,073 to the Regional Commission for the year ended July 31, 2012. The Regional Commission Board membership includes the Chief elected official of each county and municipality. The County Board members and municipal Board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from the County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines a Regional Commission as "public agencies and instrumentality's of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an Regional Commission beyond its resources. (O.C.G. A. 50-8-39.1)

A copy of the financial report can be obtained at the following address:

Southern Georgia Regional Commission
3395 Harris Road
Waycross. Georgia 31503

Note 2 – Summary of Significant Accounting Policies

The financial statements of Clinch County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the County's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Note 2 - Summary of Significant Accounting Policies - Continued

B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and fiduciary.

Governmental Funds

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

General Fund. The General Fund accounts for all financial resources, except those required to be accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

Capital Projects SPLOST Fund. The Capital Projects Special Purpose Sales Tax Fund accounts for the special purpose local option sales tax that was renewed by referendum. The revenue is restricted to the stated purposes of the referendum.

Capital Projects 2010 SPLOST Fund. The Capital Projects 2009 Special Purpose Sales Tax Fund accounts for the special purpose local option sales tax that was renewed by referendum. The revenue is restricted to the stated purposes of the referendum.

Revolving Loan Fund. The Revolving Loan Fund accounts for financing of various projects with economic development impact on the citizens of Clinch County. The fund was established initially through federal and state grants.

South Georgia Drug Task Force Fund. The South Georgia Drug Task Force Fund accounts for the financial resources and activities of a multi-jurisdictional drug task force, a law enforcement agency. The activities are funded through a federal grant, and the use of the grant funds is restricted to the activities of the task force.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt, and the acquisition or construction of major capital projects.

Note 2 - Summary of Significant Accounting Policies - Continued

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The County's agency funds account for assets held by the County's Tax Commissioner, Clerk of Court, Sheriff , Magistrate Court and Probate Court for other governments or individuals.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets.

Fund Financial Statements

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Note 2 - Summary of Significant Accounting Policies - Continued

Revenues—Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty days after year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, grants, interest, and rent.

Deferred Revenues

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim at July 31, 2012, but were levied to finance FY12 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred. Prepaid expenditures in governmental funds are recognized during the benefiting period.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Note 2 - Summary of Significant Accounting Policies – Continued

E. Budgetary Process

The County adopts annual budgets for the General Fund, Capital Projects Fund and Special Revenue Funds. The budgets are adopted on a basis substantially consistent with U.S. generally accepted accounting principles with the following exceptions. The County budget may present the use of appropriated beginning fund balances and the proceeds of short-term debt as other financing sources, and the repayment of short-term debt as other financing uses, when such elements are present in the adopted budget.

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

1. Prior to August 1, the Board of Commissioners prepares a proposed operating budget for the fiscal year commencing the following August 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayers' comments. Notice is given at least ten days in advance by publication in the official organ of Clinch County.

3. The budget is legally enacted through passage of an ordinance.

4. The budget is employed as a management control device during the year. Budgetary control is established at the department level. Management may not make changes without approval of the Board of Commissioners.

Budgeted amounts are presented as amended by the Clinch County Board of Commissioners.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is no utilized in the governmental funds.

G. Cash and Investments

Cash and cash equivalents are defined as short-term, highly liquid investments with a maturity of three months or less when purchased, that are readily convertible to know amounts of cash, and so near their maturity that they present insignificant rates of changes in value because of changes in interest rates.

The County's deposit policy limits deposit choices to checking accounts, money market accounts and certificates of deposits with local banks. All deposits are to be secured as required by state statutes. The state statute requires the deposits to be secured at an amount equal to the total deposits less FDIC insurance, and then multiplied by 110 percent.

The County is authorized to invest in funds in (1) obligations which constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (2) certificates of deposit issued by state and national banks located in the state of Georgia when secured by acceptable collateral; (3) obligations of the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank and Federal Bank of Cooperatives; and (4) bonds or other obligations issued by any public housing agency or municipality which are served by a pledge of annual contributors under contract with the United States Government, or project notes secured by a payment agreement with the United States Government.

Note 2 - Summary of Significant Accounting Policies - Continued

H. Inventory

Materials purchased are shown as expenditures when acquired are not inventoried at year end due to a lack of materiality.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset.

J. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The County maintains a capitalization threshold of $5,000. The County's infrastructure consists of roads, bridges, and culverts. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Building Improvements	40 - 50 years
Machinery and Equipment	5 - 10 years
Furniture and Fixtures	5 - 10 years
Vehicles	5 - 10 years
Infrastructure	25 years

Capital assets include public domain (infrastructure) general capital assets consisting of improvements including roads and bridges for which historical cost information was available or could be estimated.

K. Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities are eliminated on the government-wide statement of net assets.

Note 2 - Summary of Significant Accounting Policies - Continued

L. Compensated Absences

Vacation and sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation and sick leave when earned for all employees.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are not recognized as a liability and expenditure.

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. Fund Balances

The County has implemented GASB No. 54, Fund Balance Report and Governmental Fund Type Definitions. Under GASB Statement No. 54, fund balances are required to be reported in the following classifications:

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form , or, for legal or contractual reasons, must be kept intact.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors, grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the County's highest level of decision-making authority, the County Board of Commissioners.

Note 2 - Summary of Significant Accounting Policies - Continued

O. Fund Balances - Continued

Assigned fund balance – Amounts that are constrained by the County's intent to be used for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the County Board of Commissioners, or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balances – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

The Board of Commissioners has assigned amounts for specific purposes which are reflected in the Governmental Funds Balance Sheet. The Commissioners would expend funds that are committed for a specific purpose as that event occurs. Commissioners would expend unassigned amounts first and then use assigned amounts if necessary.

P. Interfund Transactions

Transfers between governmental activities on the government-wide financial statements are reported in the same manner as general revenues.

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

Q. Estimates

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

Note 3 - Cash And Investments

The County maintains separate checking and investment accounts for each fund. The County's cash in bank balances represent balances in all accounts including general fund, special revenue funds, capital projects funds, and fiduciary funds.

At July 31, 2012 all deposits were collateralized by FDIC insurance and pledged securities by the banking entities.

Note 4 – Due From Other Governments

Due from other governments consisted of the following:

General Fund	
Georgia Department of Revenue	
Total - General Fund	32,072
Special Revenue Funds	
Multiple Grant Fund	
Georgia Environmental Management Agency	$ 13,500
South Georgia Task Force	
Criminal Justice Coordinating Council	12,108
Total - Special Revenue Funds	$ 25,608
Capital Project Funds	
2009 SPLOST Fund	
Georgia Department of Revenue	$ 64,401
Total - Due From Other Governments	$ 122,081

Note 5 - Property Taxes

The County sets its property tax millage on the tax levy date each year. Taxes are levied on October 1. The property tax lien attaches to property in existence at January 1 of each year and is payable by December 20 of that year. The County collects taxes on real and personal property including motor vehicles and mobile homes. The Clinch County Tax Commissioner acts as collection agent for the County, Industrial Authority, Hospital Authority, Board of Education, and State of Georgia for taxes on real and personal property and for the City of Homerville for taxes on motor vehicles and mobile homes owned by City residents. Georgia stat law does not provide for maximum millage rates that the County may levy.

Deferred Revenue - Delinquent property taxes not collected within sixty (60) days after year-end is recognized as deferred revenue.

Note 6 – Capital Assets

A summary of the changes in general capital assets for the year ended July 31, 2012 is as follows:

	Balance at August 1, 2011	Additions	Reductions	Balance at July 31, 2012
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land and improvements	$ 105,130	$ -	$ -	$ 105,130
Total Nondepreciable Capital Assets	105,130	-	-	105,130
Depreciable Capital Assets:				
Buildings and building improvements	$ 2,481,226	$ -	$ -	$ 2,481,226
Machinery and equipment	1,713,132	-	20,100	1,693,032
Funiture and fixtures	434,057	-	-	434,057
Vehicles	1,128,751	101,328	113,368	1,116,711
Infrastructure	44,917,294	550,883	-	45,468,177
Total Depreciable Capital Assets	50,674,460	652,211	133,468	51,193,203
Less Accumulated Depreciation for:				
Buildings and building improvements	745,873	28,689	-	774,562
Machinery and equipment	819,514	113,305	20,100	912,719
Funiture and fixtures	389,640	16,663	-	406,303
Vehicles	631,275	102,735	113,368	620,642
Infrastructure	29,110,645	1,815,447	-	30,926,092
Total Accumulated Depreciation	31,696,947	2,076,839	133,468	33,640,318
Total Depreciable Capital Assets, Net	18,977,513	(1,424,628)	-	17,552,885
Governmental Activities Capital Assets, Net	$ 19,082,643	$ (1,424,628)	$ -	$ 17,658,015

Note 6 – Capital Assets – Continued

Depreciation was charged to governmental functions as follows:

Governmental activities:		
General Government		
Legislative and Executive	$	12,422
Judicial		11,497
Public Safety		114,331
Public Works		1,930,062
Culture and Recreation		5,667
Housing and Development		2,860
Total Depreciation Expense - Governmental Activities	$	2,076,839

Note 7 – Interfund Balances and Transfers

	Interfund Receivable	Interfund Payable	Transfer In	Transfer Out
General Fund				
South Georgia Drug Task Force Fund	$ 12,312	$ -	$ -	$ -
Multiple Grant Fund	4,500	-	-	1,000
	16,812	-	-	1,000
Special Revenue Funds				
South Georgia Drug Task Force Fund				
General Fund	-	12,312	1,000	-
Multiple Grant Fund				
General Fund	-	4,500	-	-
Total Governmental Funds	$ -	$ 16,812	$ 1,000	$ -

Interfund receivables and payables are the result from employees in special revenue funds that will reimbursed to the general fund and from funds loaned to open new bank accounts or pay for expenditures until grant funds were received. Transfers out were to cover matching funds for grants.

Note 8 – Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused leave benefits. Unused leave benefits will be paid to employees upon separation from County services. The General Fund pays for any used compensated absences during a fiscal year.

	Balance at July 31, 2011	Additions	Reductions	Balance at July 31, 2012	Amount Due In One Year
Primary Government:					
Governmental Activities:					
Compensated absences	$ 45,777	$ 29,169	$ 27,466	$ 47,480	$ 28,488
Total Primary Government	$ 45,777	$ 29,169	$ 27,466	$ 47,480	$ 28,488
Component Unit - Board of Health:					
Compensated absences	$ 21,891	$ 10,199	$ 10,946	$ 21,145	$ 10,572

Note 9 - Long-Term Debt

The following is a summary of the debt transactions of the County for the fiscal year ended July 31, 2012:

	Balance at July 31, 2011	Additions	Reductions	Balance at July 31, 2012	Amount Du In One Yea
Governmental Activities					
Capital leases	$ 817,852	$ -	$ 56,371	$ 761,481	$ 46,28
Total Governmental Activities	$ 817,852	$ -	$ 56,371	$ 761,481	$ 46,28

The original issue date, interest rate and original issue amount for the County's long-term obligations are as follows:

	Purpose	Original Issue Date	Interest Rate	Original Issue Amount	Maturity Date
Governmental Activities					
Capital Lease	Ambulance	2007	4.25%	$ 58,500	2012
Capital Lease	Motor Graders	2011	3.45%	$ 806,200	2016

Note 9 - Long-Term Debt - Continued

The following is a summary of the County's future annual debt service requirements on long-term obligations:

	Governmental Activities	
	Capital Leases	
Year Ending July 31,	Principal	Interest
2013	46,286	26,691
2014	47,909	25,068
2015	49,588	23,367
2016	617,698	23,279
Total	$ 761,481	$ 98,405

Note 10 – Component Unit

Clinch County Board of Health

Basis of Presentation The financial statements of the Clinch County Board of Health (Board) have been prepared in accordance with generally accepted accounting principles (GAAP) for local governmental units and, accordingly, reflect all significant receivables, payables, and other liabilities. The Board uses funds to report on its financial position and results of its operations. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

Basis of Accounting The accrual basis of accounting is followed by the Board. Revenues are recognized when an exchange takes place or when all eligibility requirements have been satisfied.

Cash and Cash Equivalents Cash and cash equivalents of the Board are not a part of the County's cash management pool and are reported as part of "Cash and Cash Equivalents in Segregated Accounts".

Property and Equipment Property and equipment are carried at cost or, if donated, the fair value on the date donated. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Property and equipment as of June 30, 2012, was as follows:

Equipment	$ 90,277
Less Accumulated Depreciation	(83,526)
Net Property and Equipment	$ 6,752

Note 11 – Component Unit - Continued

Clinch County Board of Health

Retirement Plan

The employees of the Health Department participate in the Georgia State Employees Retirement System, a multi-employer, defined contribution plan. The Plan is administered by the State of Georgia, and accumulated benefits and Plan assets are not determined or allocated to the individual participating governmental entities. The Georgia State Employees' Retirement System of Georgia requires ten years of continuous service to become fully vested. Employees are required to pay either 1.25% of gross earnings to the retirement account or .25% of gross earnings to the GLLI premiums. Employer contributions amount to 5.66% and 10.41% of covered compensation for the fiscal year for participants in the old and new plan respectively. The total employer retirement contributions to the Georgia State Employees Retirement System for the year ended July 30, 2012 were $20,145. Ten-year historical trend information and relevant actuarial information may be obtained from the Employee's Retirement System, Two Northside 75, Suite 300, Atlanta, Georgia 30316-7778 or calling 1-404-352-6400.

Note 12 – Contingent Liabilities

There was no pending litigation, claims, or assessments against the County at July 31, 2012. In the opinion of County management, there were no unasserted claims or assessments that might have a material effect on the financial condition of the County.

The County receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State Governments for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, will not be significant.

Note 13 – Pension Plan

A. Plan Description

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

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met

B. Summary of Significant Accounting Policies

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

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

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

C. Membership

Participant counts as of January 1, 2012 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Plan Membership	
Retirees, Beneficiaries and Disables receiving benefits	6
Terminated plan participants entitled to but not receiving benefits	18
Active employees participating in the Plan	13
Total	37
Covered compensation for active participants	$ 541,553

The Plan was frozen by the County in July, 1998. The County will be responsible for making future contributions based on actuarial computations to fund the plan at the required level to pay projected retirement benefits to the Plan's participants.

Note 13 – Pension Plan - Continued

D. Funding Policy

The county is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirements.

Employees who are eligible to participate in the plan are not required to contribute, but may elect to contribute as noted under the Defined Contribution Plan note below.

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

Analysis of funding progress is presented for the most recent six years:

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
December 31, 2011	608,839	882,321	273,482	69.0%	541,553	50.5%
December 31, 2010	585,286	846,674	261,388	69.1%	540,464	48.4%
December 31, 2009	554,820	794,467	239,647	69.8%	537,834	44.6%
December 31, 2008	513,208	731,981	218,773	70.1%	638,164	34.3%
December 31, 2007	524,820	680,231	155,411	77.2%	685,550	22.7%

E. Annual Pension Cost and Net Pension Obligation (Asset)

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2011. The following summarizes the actuarial methods and assumptions used that valuation:

Current Valuation Date	January 1, 2012
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.0%-6.5% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period*	10 Years

* - Represents the estimated amortization period of all unfunded liabilities combined into one amortization base.

Note 13 – Pension Plan - Continued

E. Annual Pension Cost and Net Pension Obligation (Asset) - Continued

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

Derivation of Net Pension Obligation:

	2012	2011
Net Pension Obligation as of the Beginning of Prior Year	$ (30,140)	$ (24,949)
Annual Pension Cost of Prior Year	25,914	25,759
Actual Contributions to Plan for Prior Year	30,721	30,950
Increase in Net Pension Obligation	$ (4,807)	$ (5,191)
Net Pension Obligation as of Beginning of the Year	$ (34,947)	$ (30,140)

Derivation of Annual Pension Cost:

Annual Required Contribution	$ 24,984	$ 25,751
Interest on Net Pension Obligation	(2,708)	(2,336)
Amortization of Net Pension Obligation	2,898	2,499
Annual Pension Cost	$ 25,174	$ 25,914

TREND INFORMATION FOR THE PLAN

Fiscal Year Beginning	Annual Pension Cost	Actual County Contribution	Percentage Contributed	Net Pension Obligation (Asset)
January 1, 2012	$ 25,174	$ 30,561	121.4%	$ (34,947)
January 1, 2011	25,914	30,915	119.3%	(30,140)
January 1, 2010	25,759	30,950	120.2%	(24,949)
January 1, 2009	33,032	36,935	111.8%	(21,046)
January 1, 2008	37,381	29,544	79.0%	(18,883)
January 1, 2007	$ 26,001	$ 28,661	110.2%	$ (16,223)

Note 14 – Other Pension Plans

In addition to the above retirement plan, of which the County is administrator, the following retirement plans are in effect but are not under the direct control of the County:

1) Probate Judges' Retirement Fund of Georgia
2) Clerk of Superior Court Retirement Fund
3) Sheriffs' Retirement Fund/Peace Officers' Annuity and Benefit Fund

which provide for certain sums from marriage licenses, fees, fines and forfeitures to be remitted directly to the pension plans before the payment of any costs or other claims.

A copy of financial reports for these pension plans can be obtained a the following address:

GEBCorp
400 Galleria Parkway
Suite 1250
Atlanta, Georgia 30339

Defined Contribution Money Purchase Plan:

In July 1998, the County adopted the Clinch County Money Purchase Plan, a defined contribution plan. The plan is an IRC Section 401(a)/457 Match Plan. Equitable Life Assurance Society sponsors the 401(a) portion of the Plan and the 457 plan. The plans are administered by Momentum Administrative Services.

Under the plan, all full-time permanent employees are eligible for participation. The County makes a base contribution to the 401(a) plan equal to 3% of each employee's salary. The employee may contribute up to 25% of their salary to the deferred compensation plan subject to an annual maximum of $8,000. For employees participating in the deferred compensation program, the County will make an additional matching contribution to the 401(a) plan equal to 50% of the employee's contribution up to a maximum of 6% of the employee's salary. The combined maximum contribution by the County is 6% of the employee's salary. During the year ended July 31, 2012, the plan members contributed $39,247 and the County contributed $69,622 to the plan.

The contributions to the 401(a) plan are 100% vested after 3 years of service. The 457 plan employee deferrals are 100% vested immediately. Employees may choose their own investments from among those offered by the Clinch County 401(a) / 457 Match Plan.

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

Note 14 – Other Pension Plans - Continued

Deferred Compensation Plan:

The Clinch County Board of Commissioners offers all Clinch County employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457, as part of the match plan described in Note 7. The assets of the plans were held in trust, (custodial account or annuity contract) as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in Clinch County, Georgia's financial statements.

Note 15 – Risk Financing Activities

The County may be subject to risk of loss due to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County covers these risk through the purchase of insurance coverage through the ACCG – Group Self-Insurance Workers' Compensation Fund and the ACCG – Interlocal Risk Management Agency. These are public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expense incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverage. There was no significant reduction in insurance coverage from the prior year.

Note 16 – Prior Year Adjustments

Prior year adjustments consist of the following:

	Governmental Activities		General Fund	2010 SPLOST Fund
Net Assets, Beginning of Year	$ 20,852,518	Fund Balance, Beginning of Year	$ 970,416	$ 354,862
Prior Year Adjustments:		Prior Year Adjustments:		
		Correct interest accrual	9,311	-
Correct sales tax accruals	(62,597)	Correct sales tax accruals	(33,039)	(29,558)
Net Assets, Restated	$ 20,789,921	Fund Balance, Restated	$ 946,688	$ 325,304

Note 18 – Subsequent Event

Subsequent events were evaluated through May 10, 2013, which is the date of the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

CLINCH COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending July 31, 2012

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes	$ 3,299,897	$ 3,299,897	$ 3,352,640	$ 52,743
Licenses and permits	17,963	17,963	14,323	(3,640)
Intergovernmental revenues	268,557	268,557	403,992	135,435
Charges for services	461,753	461,753	492,376	30,623
Fines and forfeitures	79,500	79,500	75,178	(4,322)
Investment income	14,000	14,000	13,308	(692)
Miscellaneous	43,000	43,000	2,875	(40,125)
Total Revenues	$ 4,184,670	$ 4,184,670	$ 4,354,692	$ 170,022
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative and executive				
Commissioners' Office	$ 199,836	$ 199,836	$ 198,499	$ (1,337)
Tax Assesor's Office	88,696	88,696	86,896	(1,800)
Tax Commissioner's Office	118,757	118,757	114,994	(3,763)
Equalization Board	1,800	1,800	643	(1,157)
Public Buildings	148,130	148,130	144,949	(3,181)
Elections	79,689	79,689	68,081	(11,608)
Non-Departmental	880,523	880,523	858,753	(21,770)
Total General Government	1,517,431	1,517,431	1,472,815	(44,616)
JUDICIAL				
Superior Court	37,585	37,585	35,286	(2,299)
Clerk of Courts	108,224	108,224	106,665	(1,559)
District Attorney	2,150	2,150	1,182	(968)
Juvenile Court	89,800	89,800	85,850	(3,950)
Public Defender	30,000	30,000	36,491	6,491
Probate Court	193,179	193,179	189,975	(3,204)
Total Judicial	460,938	460,938	455,449	(5,489)
PUBLIC SAFETY				
Sheriff	496,417	496,417	486,683	(9,734)
Fire Protection	31,363	31,363	27,129	(4,234)
E-911 Service	134,070	134,070	131,308	(2,762)
Emergency Management Agency	38,398	38,398	35,207	(3,191)
Emergency Medical Services	164,661	164,661	160,830	(3,831)
Coroner Office	8,941	8,941	8,609	(332)
School Resource Officer	17,000	17,000	17,689	689
Jail	208,044	208,044	189,921	(18,123)
Total Public Safety	1,098,894	1,098,894	1,057,376	(41,518)

See independent auditors' report.

CLINCH COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending July 31, 2012

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PUBLIC WORKS				
Road Department	448,096	448,096	432,504	(15,592)
Solid Waste Management	311,447	311,447	285,431	(26,016)
Total Public Works	$ 759,543	$ 759,543	$ 717,935	$ (41,608)
HEALTH AND WELFARE				
Public Health Services	$ 65,069	$ 65,069	$ 65,050	$ (19)
Concerted Services	1,400	1,400	1,309	(91)
Department of Family and Children Services	22,400	22,400	21,900	(500)
Senior Center	83,435	83,435	80,567	(2,868)
Total Health and Welfare	172,304	172,304	168,826	(3,478)
CULTURE AND RECREATION				
Recreation	50,250	50,250	50,250	-
Library	17,525	17,525	17,492	(33)
Total Culture and Recreation	67,775	67,775	67,742	(33)
HOUSING AND DEVELOPMENT				
Forestry	49,810	49,810	48,150	(1,660)
County Agent's Office	39,050	39,050	34,910	(4,140)
Building Inspections	4,900	4,900	3,700	(1,200)
Total Community Development	93,760	93,760	86,760	(7,000)
DEBT SERVICE				
Principle retirement	11,649	11,649	11,355	(294)
Interest	2,000	2,000	293	(1,707)
Total Debt Service	13,649	13,649	11,648	(2,001)
TOTAL EXPENDITURES	4,184,294	4,184,294	4,038,551	(145,743)
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	376	376	316,141	315,765
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	-	12,325	12,325
Transfers in	-	-	-	-
Transfers out	(376)	(376)	(1,000)	624
TOTAL OTHER FINANCING SOURCES (USES)	(376)	(376)	11,325	12,949
NET CHANGE IN FUND BALANCE	-	-	327,466	328,714
FUND BALANCES				
FUND BALANCE AT BEGINNING OF YEAR	-	-	946,688	946,688
FUND BALANCE, END OF YEAR	$ -	$ -	$ 1,274,154	$ 1,275,402

See independent auditors' report.

CLINCH COUNTY, GEORGIA
REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending July 31, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ 7,804	$ 7,804	$ 6,545	$ (1,259)
TOTAL REVENUES	7,804	7,804	6,545	(1,259)
EXPENDITURES				
Current:				
General government	7,804	7,804	-	(7,804)
TOTAL EXPENDITURES	7,804	7,804	-	(7,804)
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	-	-	6,545	6,545
FUND BALANCE BEGINNING OF YEAR	-	-	292,477	292,477
FUND BALANCE END OF YEAR	$ -	$ -	$ 299,022	$ 299,022

See independent auditors' report.

CLINCH COUNTY, GEORGIA
SOUTH GEORGIA DRUG TASK FORCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending July 31, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ 300,000	$ 300,100	$ 204,942	$ (95,158)
Fines and forfeitures	-	-	14,362	14,362
Investment income	-	-	1,196	1,196
Miscellaneous	-	-	1,790	1,790
TOTAL REVENUES	300,000	300,100	222,290	(77,810)
EXPENDITURES				
Current:				
Public safety	300,000	300,100	300,018	(82)
TOTAL EXPENDITURES	300,000	300,100	300,018	(82)
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	-	-	(77,728)	(77,728)
OTHER FINANCING SOURCES: TRANSFER IN	-	-	1,000	1,000
REVENUE AND OTHER SOURCES OVER EXPENDITURES	-	-	(76,728)	(76,728)
FUND BALANCE BEGINNING OF YEAR	-	-	156,833	156,833
FUND BALANCE END OF YEAR	$ -	$ -	$ 80,105	$ 3,377

The South Georgia Drug Task Force Fund operates on fiscal year ending June 30 to coincide with the grant periods of the Criminal Justice Coordinating Council grant that fund its operations. The fund is required to adopt budgets for each grant for each grant period ending June 30.

See independent auditors' report.

Note 1 – Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the Budgetary Basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedules of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual for the general and major special revenue funds are presented on the Budgetary Basis to provide a meaningful comparison of actual results with the budget. Beginning fund balances were budgeted under the Budgetary Basis.

COMBINING AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets.

Capital Projects Special Purpose Sales Tax Fund – To account for the special purpose local option sales tax that was approved by referendum. The revenue is restricted to the stated purposes of the referendum.

Capital Projects 2010 Special Purpose Sales Tax Fund – To account for the special purpose local option sales tax that was approved by 2010 referendum. The revenue is restricted to the stated purposes of the referendum.

CLINCH COUNTY, GEORGIA
SPECIAL PURPOSE SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended July 31, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenue	$ 550,000	$ 550,000	$ 400,883	$ (149,117)
Investment income	2,500	2,500	3,454	954
TOTAL REVENUES	552,500	552,500	404,337	(148,163)
EXPENDITURES				
Current				
Public works	186,500	186,500	211,252	24,752
Capital outlay	291,000	601,000	575,365	(25,635)
Debt service	75,000	75,000	72,977	(2,023)
TOTAL EXPENDITURES	552,500	862,500	859,594	(2,906)
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	-	(310,000)	(455,257)	(145,257)
OTHER FINANCING SOURCES				
Proceeds of capital asset disposition	-	-	-	-
EXCESS OF REVENUE AND OTHER FINANCIING SOURCES OVER EXPENDITURES			(455,257)	
FUND BALANCE BEGINNING OF YEAR	-	310,000	652,299	652,299
FUND BALANCE END OF YEAR	$ -	$ -	$ 197,042	$ 507,042

See independent auditors' report.

CLINCH COUNTY, GEORGIA
2009 SPECIAL PURPOSE SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended July 31, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 768,500	$ 768,500	$ 734,837	$ (33,663)
Intergovernmental revenue	-	-	-	-
Investment income	3,200	3,200	2,911	(289)
TOTAL REVENUES	771,700	771,700	737,748	(33,952)
EXPENDITURES				
Intergovernmental	450,000	450,000	407,356	(42,644)
Capital outlay	321,700	321,700	106,049	(215,651)
TOTAL EXPENDITURES	771,700	771,700	513,405	(258,295)
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	-	-	224,343	224,343
FUND BALANCE BEGINNING OF YEAR	-	-	325,304	325,304
FUND BALANCE END OF YEAR	$ -	$ -	$ 549,647	$ 549,647

See independent auditors' report.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific purposes.

Multiple Grant Fund – To account for funds received through various grants for a specific purpose.

Jail Fund – To account for accounts for fine income specified for jail operations and the revenue is restricted for those purposes.

Law Library Fund – To account for funds accessed with fines and designated for the maintenance of a law library

Sheriff's Drug Fund – To account for funds received through drug seizures.

D.A.T.E. Fund – To account for fine income specified for drug addiction treatment and education.

CLINCH COUNTY, GEORGIA
ALL NONMAJOR FUNDS
COMBINING BALANCE SHEET
July 31, 2012

	Special Revenue Funds					
	Multiple Grant Fund	Jail Fund	Law Library Fund	D.A.T.E. Fund	Sheriff's Drug Fund	Total
ASSETS						
Cash	$ 20,698	$ 13,591	$ 7,047	$ 8,849	$ 7,934	$ 58,119
Due from other governments	13,500	-	-	-	-	13,500
Accounts receivable	-	526	283	20	-	829
TOTAL ASSETS	$ 34,198	$ 14,117	$ 7,330	$ 8,869	$ 7,934	$ 72,448
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Interfund payable	4,500	-	-	-	-	4,500
TOTAL LIABILITIES	4,500	-	-	-	-	4,500
FUND BALANCES						
Restricted for:						
Law library	-	-	7,330	-	-	7,330
Drug education and treatment	-	-	-	8,869	-	8,869
Drug enforcement	-	-	-	-	7,934	7,934
Jail operations	-	14,117	-	-	-	14,117
Public safety	29,698	-	-	-	-	29,698
TOTAL FUND BALANCES	29,698	14,117	7,330	8,869	7,934	67,948
TOTAL LIABLILTIES AND FUND BALANCES	$ 34,198	$ 14,117	$ 7,330	$ 8,869	$ 7,934	$ 72,448

See independent auditors' report.

CLINCH COUNTY, GEORGIA
ALL NONMAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended July 31, 2012

	Special Revenue Funds					
	Multiple Grant Fund	Jail Fund	Law Library Fund	D.A.T.E. Fund	Sheriff's Drug Fund	Total
REVENUES						
Fines and forfeitures	$ -	$ 13,923	$ 4,548	$ 3,710	$ 2,577	$ 24,758
Intergovermental revenue	7,496	-	-	-	-	7,496
Investment income	140	69	-	-	-	209
TOTAL REVENUES	7,636	13,992	4,548	3,710	2,577	32,463
EXPENDITURES						
Current:						
Legislative and executive	5,800	-	-	-	-	5,800
Judicial	-	-	4,031	-	-	4,031
Public safety	-	11,545	-	41	10,569	22,155
TOTAL EXPENDITURES	5,800	11,545	4,031	41	10,569	31,986
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	1,836	2,447	517	3,669	(7,992)	477
OTHER FINANCING SOURCES: TRANSFER IN	-	-	-	-	-	-
REVENUE AND OTHER SOURCES OVER EXPENDITURES	1,836	2,447	517	3,669	(7,992)	477
FUND BALANCE AT BEGINNING OF YEAR	27,862	11,670	6,813	5,200	15,926	67,471
FUND BALANCE AT END OF YEAR	$ 29,698	$ 14,117	$ 7,330	$ 8,869	$ 7,934	$ 67,948

See independent auditors' report.

CLINCH COUNTY, GEORGIA
MULTIPLE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended July 31, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ 41,621	$ 47,421	$ 7,496	$ (39,925)
Investment income	472	472	140	(332)
TOTAL REVENUES	42,093	47,893	7,636	(40,257)
EXPENDITURES				
Current:				
Legislative and executive	-	5,800	5,800	-
Public safety	1,815	1,815	-	(1,815)
TOTAL EXPENDITURES	1,815	7,615	5,800	(1,815)
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	40,278	40,278	1,836	(38,442)
OTHER FINANCING USES: TRANSFER OUT	(40,278)	(40,278)	-	40,278
REVENUE AND OTHER SOURCES OVER EXPENDITURES	-	-	1,836	1,836
FUND BALANCE BEGINNING OF YEAR	-	-	27,862	27,862
FUND BALANCE END OF YEAR	$ -	$ -	$ 29,698	$ 29,698

See independent auditors' report.

CLINCH COUNTY, GEORGIA
JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended July 31, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 12,500	$ 12,500	$ 13,923	$ 1,423
Investment income	100	100	69	(31)
TOTAL REVENUES	12,600	12,600	13,992	1,392
EXPENDITURES				
Current:				
Public safety	18,600	18,600	11,545	(7,055)
TOTAL EXPENDITURES	18,600	18,600	11,545	(7,055)
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	(6,000)	(6,000)	2,447	8,447
FUND BALANCE BEGINNING OF YEAR	6,000	6,000	11,670	5,670
FUND BALANCE END OF YEAR	$ -	$ -	$ 14,117	$ 14,117

See independent auditors' report.

CLINCH COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended July 31, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 5,022	$ 5,022	$ 4,548	$ (474)
TOTAL REVENUES	5,022	5,022	4,548	(474)
EXPENDITURES				
Current:				
Judicial	12,083	12,083	4,031	(8,052)
TOTAL EXPENDITURES	12,083	12,083	4,031	(8,052)
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	(7,061)	(7,061)	517	7,578
FUND BALANCE BEGINNING OF YEAR	7,061	7,061	6,813	(248)
FUND BALANCE END OF YEAR	$ -	$ -	$ 7,330	$ 7,330

See independent auditors' report.

CLINCH COUNTY, GEORGIA
SHERIFF'S DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended July 31, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 2,500	$ 2,500	$ 2,577	$ 77
TOTAL REVENUES	2,500	2,500	2,577	77
EXPENDITURES				
Current:				
Public safety	14,017	14,017	10,569	(3,448)
TOTAL EXPENDITURES	14,017	14,017	10,569	(3,448)
EXCESS OF REVENUE OVER EXPENDITURES	(11,517)	(11,517)	(7,992)	3,525
FUND BALANCE BEGINNING OF YEAR	11,517	11,517	15,926	4,409
FUND BALANCE END OF YEAR	$ -	$ -	$ 7,934	$ 7,934

See independent auditors' report.

CLINCH COUNTY, GEORGIA
D.A.T.E FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended July 31, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 4,100	$ 4,100	$ 3,710	$ (390)
TOTAL REVENUES	4,100	4,100	3,710	(390)
EXPENDITURES				
Current:				
Health and welfare	4,100	4,100	41	(4,059)
TOTAL EXPENDITURES	4,100	4,100	41	(4,059)
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	-	-	3,669	3,669
FUND BALANCE BEGINNING OF YEAR	-	-	5,200	5,200
FUND BALANCE END OF YEAR	$ -	$ -	$ 8,869	$ 8,869

See independent auditors' report.

INTERGOVERNMENTAL GRANTS

CLINCH COUNTY, GEORGIA
CRIMINAL JUSTICE COORDINATING COUNCIL GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GRANT BUDGET AND ACTUAL
For The Year Ended July 31, 2012

CRIMINAL JUSTICE COORDINATING COUNCIL GRANTS

	#DCSI-B10-8-006			
		ACTUAL FUNDS EXPENDED		
	BUDGETED AMOUNT	THROUGH YEAR ENDED JULY 31, 2011	DURING YEAR ENDED JULY 31, 2012	CUMULATIVE
'ENDED FROM GRANT FUNDS:				
Personnel	$84,169	$ -	$ 84,169	$ 84,169
Equipment	-	-	-	-
Supplies	23,414	-	11,341	11,341
Travel	1,487	-	1,487	1,487
Other	68,084	-	31,960	31,960
Printing	-	-	-	-
	177,154	-	128,957	128,957
'ENDED FROM MATCHING FUNDS:				
Personnel	28,056	-	28,056	28,056
Equipment	-	-	-	-
Supplies	7,805	-	3,780	3,780
Travel	496	-	496	496
Other	22,695	-	10,655	10,655
Printing	-	-	-	-
	59,051	-	42,987	42,987
'ENDED FROM FUND REVENUES:				
Personnel	-	-	60	60
Equipment	-	-	-	-
Supplies	-	-	43	43
Travel	-	-	183	183
Other	-	-	-	-
Printing	-	-	-	-
	-	-	286	286
Total	$ 236,205	$ -	$ 172,230	$ 172,230

South Georgia Drug Task Force Fund operates on fiscal year ending June 30 to coincide with grant periods of the Criminal Justice Coordinating Council grant that fund its operations. The l is required to adopt budgets for each grant for each grant period ending June 30.

See independent auditors' report.

CLINCH COUNTY, GEORGIA
CRIMINAL JUSTICE COORDINATING COUNCIL GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GRANT BUDGET AND ACTUAL
For The Year Ended July 31, 2012

CRIMINAL JUSTICE COORDINATING COUNCIL GRANTS

	#DCSI-B11-8-004			
		ACTUAL FUNDS EXPENDED		
	BUDGETED AMOUNT	THROUGH YEAR ENDED JULY 31, 2011	DURING YEAR ENDED JULY 31, 2012	CUMULATIVE
EXPENDED FROM GRANT FUNDS:				
Personnel	$21,440	$ -	$ 10,594	$ 10,594
Equipment	18,000	-	19,191	19,191
Supplies	-	-	-	-
Travel	-	-	-	-
Other	-	-	-	-
Printing	-	-	-	-
	39,440	-	29,785	29,785
EXPENDED FROM MATCHING FUNDS:				
Personnel	7,147	-	3,531	3,531
Equipment	6,000	-	6,397	6,397
Supplies	-	-	-	-
Travel	-	-	-	-
Other	-	-	-	-
Printing	-	-	-	-
	13,147	-	9,928	9,928
EXPENDED FROM FUND REVENUES:				
Personnel	-	-	-	-
Equipment	-	-	-	-
Supplies	-	-	-	-
Travel	-	-	-	-
Other	-	-	-	-
Printing	-	-	-	-
	-	-	-	-
Total	$ 52,587	$ -	$ 39,713	$ 39,713

The South Georgia Drug Task Force Fund operates on fiscal year ending June 30 to coincide with the grant periods of the Criminal Justice Coordinating Council grant that fund its operations. The fund is required to adopt budgets for each grant for each grant period ending June 30.

See independent auditors' report.

CLINCH COUNTY, GEORGIA
CRIMINAL JUSTICE COORDINATING COUNCIL GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GRANT BUDGET AND ACTUAL
For The Year Ended July 31, 2012

CRIMINAL JUSTICE COORDINATING COUNCIL GRANTS

	#DCSI-B11-8-035			
		ACTUAL FUNDS EXPENDED		
	BUDGETED AMOUNT	THROUGH YEAR ENDED JULY 31, 2011	DURING YEAR ENDED JULY 31, 2012	CUMULATIVE
EXPENDED FROM GRANT FUNDS:				
Personnel	$76,130	$ -	$ 12,108	$ 12,108
Equipment	-	-	-	-
Supplies	-	-	-	-
Travel	-	-	-	-
Other	-	-	-	-
Printing	-	-	-	-
	76,130	-	12,108	12,108
EXPENDED FROM MATCHING FUNDS:				
Personnel	-	-	-	-
Equipment	-	-	-	-
Supplies	-	-	-	-
Travel	-	-	-	-
Other	-	-	-	-
Printing	-	-	-	-
	-	-	-	-
EXPENDED FROM FUND REVENUES:				
Personnel	-	-	-	-
Equipment	-	-	-	-
Supplies	-	-	-	-
Travel	-	-	-	-
Other	-	-	-	-
Printing	-	-	-	-
	-	-	-	-
Total	$ 76,130	$ -	$ 12,108	$ 12,108

The South Georgia Drug Task Force Fund operates on fiscal year ending June 30 to coincide with the grant periods of the Criminal Justice Coordinating Council grant that fund its operations. The fund is required to adopt budgets for each grant for each grant period ending June 30.

See independent auditors' report.

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or funds.

Tax Commissioner - to account for the collection of property taxes, motor vehicle tax and title fees and mobile home fees, etc. which are disbursed to various taxing units.

Clerk of Superior Court - to account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, recording of intangibles, fees, civil awards, etc. which are disbursed to other parties.

Magistrate Court - to account for the collection of fees in jurisdiction of small claims courts, which are disbursed to other parties.

Office of Sheriff - to account for collection of cash bonds, fines, forfeitures, etc. which are disbursed to other parties.

Probate Court - to account for the collection of fees for a probate of wills, administration of estates, issuance of marriage licenses ad maintenance of other vital records which are disbursed to other parties.

CLINCH COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
July 31, 2012

	AGENCY FUNDS					
	TAX COMMISSIONER	PROBATE COURT	CLERK OF SUPERIOR COURT	OFFICE OF SHERIFF	MAGISTRATE COURT	TOTAL
ASSETS						
Cash	$ 36,938	$ 8,492	$ 98,874	$ 4,786	$ 5,680	$ 154,770
TOTAL ASSETS	$ 36,938	$ 8,492	$ 98,874	$ 4,786	$ 5,680	$ 154,770
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Due to others	$ 36,938	$ 8,492	$ 98,874	$ 4,786	$ 5,680	$ 154,770
TOTAL LIABLITIES	$ 36,938	$ 8,492	$ 98,874	$ 4,786	$ 5,680	$ 154,770
NET ASSETS	$ -	$ -	$ -	$ -	$ -	$ -

See independent auditors' report.

CLINCH COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For The Year Ending July 31, 2012

	Balance August 1, 2011	Additions	Deductions	Balance July 31, 2012
OFFICE OF TAX COMMISSIONER				
ASSETS				
Cash	$ 89,728	$ 7,794,774	$ 7,847,564	$ 36,938
TOTAL ASSETS	$ 89,728	$ 7,794,774	$ 7,847,564	$ 36,938
LIABILITIES				
Due to others	$ 89,728	$ 7,794,774	$ 7,847,564	$ 36,938
TOTAL LIABILITIES	$ 89,728	$ 7,794,774	$ 7,847,564	$ 36,938
PROBATE COURT				
ASSETS				
Cash	$ 3,047	$ 54,134	$ 48,689	$ 8,492
TOTAL ASSETS	$ 3,047	$ 54,134	$ 48,689	$ 8,492
LIABILITIES				
Due to others	$ 3,047	$ 54,134	$ 48,689	$ 8,492
TOTAL LIABILITIES	$ 3,047	$ 54,134	$ 48,689	$ 8,492
CLERK OF COURT				
ASSETS				
Cash	$ 63,936	$ 280,818	$ 245,880	$ 98,874
TOTAL ASSETS	$ 63,936	$ 280,818	$ 245,880	$ 98,874
LIABILITIES				
Due to others	$ 63,936	$ 280,818	$ 245,880	$ 98,874
TOTAL LIABILITIES	$ 63,936	$ 280,818	$ 245,880	$ 98,874

See independent auditors' report.

CLINCH COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES - CONTINUED
For The Year Ending July 31, 2012

		Balance August 1, 2011	Additions	Deductions	Balance July 31, 2012
OFFICE OF SHERIFF					
ASSETS					
Cash		$ 5,667	$ 94,156	$ 95,037	$ 4,786
	TOTAL ASSETS	$ 5,667	$ 94,156	$ 95,037	$ 4,786
LIABILITIES					
Due to others		$ 5,667	$ 94,156	$ 95,037	$ 4,786
	TOTAL LIABILITIES	$ 5,667	$ 94,156	$ 95,037	$ 4,786
MAGISTRATE COURT					
ASSETS					
Cash		$ 3,441	$ 137,288	$ 135,049	$ 5,680
	TOTAL ASSETS	$ 3,441	$ 137,288	$ 135,049	$ 5,680
LIABILITIES					
Due to others		$ 3,441	$ 137,288	$ 135,049	$ 5,680
	TOTAL LIABILITIES	$ 3,441	$ 137,288	$ 135,049	$ 5,680

See independent auditors' report.

COMPLIANCE SECTION

CLINCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS FUNDED BY SPECIAL PURPOSE SALES TAX PROCEEDS
For The Year Ended July 31, 2012

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Prior SPLOST						
Roads, streets and bridge purposes	$ 4,121,831	$ 4,121,831	$ 4,400,932	$ 859,594	$ 5,260,526	127.63%
Totals	$ 4,121,831	$ 4,121,831	$ 4,400,932	$ 859,594	$ 5,260,526	
2009 SPLOST						
Roads, streets and bridge maintenance and equipment	$ 1,310,464	$ 1,310,464	$ -	$ -	-	0.00%
Public safety vehicles, equipment and facilities	650,000	869,828	405,385	106,049	511,434	58.80%
City of Homerville	1,613,832	1,613,832	443,716	269,485	713,201	44.19%
Homerville Recreation Board	440,000	440,000	120,974	73,471	194,445	44.19%
City of Fargo	218,768	218,768	60,149	36,531	96,680	44.19%
City of Dupont	80,036	80,036	22,011	13,370	35,381	44.21%
City of Argyle	86,900	86,900	23,881	14,500	38,381	44.17%
Totals	$ 4,400,000	$ 4,619,828	$ 1,076,116	$ 513,405	$ 1,589,521	

See independent auditors' report.

CLINCH COUNTY, GEORGIA
REVOLVING LOAN FUND
SUPPLEMENTARY INFORMATION REQUIRED BY
GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS
TWELVE MONTHS ENDED JUNE 30, 2012

	Twelve Months Ended 6/30/2012
Balance Sheet	
Assets:	
Cash and cash equivalents	$ 164,727
Loans receivable	134,295
Total Assets	299,022
Total Liabilities	-
Fund Balance Reserved for Revolving Loans	299,022
Total Liabilities and Fund Balance	$ 299,022
Statement of Revenues and Expenditures	
Revenues:	
Interest earned from bank accounts	$ 6,389
Interest earned from notes receivable	156
Total Revenues	6,545
Expenditures:	
Administrative	-
Total Expenditures	-
Excess of Revenues Over Expenditures	$ 6,545
Statement of Sources and Uses of Funds	
Cash, Beginning of Period	$ 148,902
Sources of Funds:	
Principal received on notes receivable	9,280
Interest received on notes receivable	6,389
Interest received on bank accounts	156
Total Sources of Funds	15,825
Cash, Ending of Period	$ 164,727

See independent auditors' report.

Tillman & Tillman, LLP
Certified Public Accountants & Consultants

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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 County Commissioners
Clinch County, Georgia

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Clinch County, Georgia as of and for the year ended July 31, 2012 which collectively comprise the County's basic financial statements and have issued our report thereon, dated May 10, 2013. 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.

Internal Control Over Financial Reporting

Management of Clinch County, Georgia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Clinch County, Georgia'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 purposes of expressing an opinion on the effectiveness of Clinch County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Clinch County, Georgia's internal control over financial reporting.

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

Our consideration of 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clinch County, Georgia'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, the State of Georgia Department of Audits and is not intended to be and should not be used by anyone other than these specified parties.

Tillman & Tillman, LLP

Valdosta, Georgia
May 10, 2013

CLINCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended July 31, 2012

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified		
Internal control over financial reporting			
Material weakness identified?	_____ Yes	__X__ No	
Significant deficiencies identified not considered to be material weakness?	_____ Yes	__X__ No	None reported
Noncompliance material to financial statements noted?	_____ Yes	__X__ No	

Section II – Financial Statement Findings

Current Year Findings - None

Prior Year Findings

2011-1 was corrected through better budgeting and budget amendments.