# CLINCH COUNTY, GEORGIA

## ANNUAL FINANCIAL REPORT

## For The Year Ended July 31, 2013

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Tillman & Tillman, LLP
Certified Public Accountants & Consultants

Joseph H. Tillman, CPA
H. Harrison Tillman, Jr., CPA
Pamela K. Tillman, CPA
Eric M. Tillman, CPA
*H. Harrison Tillman, Sr., CPA (1927-2010)*

*Serving Clients Since 1954*

# INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Clinch County, Georgia

## Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clinch County, Georgia as of and for the year ended July 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clinch County, Georgia, as of July 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

In 2013, the County adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and GASB Statement No.65, *Items Previously Reported as Assets and Liabilities.* Those standards modified terminology and presentation of certain accounts and change the accounting for bond issuance cost. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–10 and 39–42 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.

*Other Information*

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 schedules and budget schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2014, on our consideration of the Clinch County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clinch County, Georgia's internal control over financial reporting and compliance.

Tillman & Tillman LLP

Tillman & Tillman, LLP

Valdosta, Georgia
April 1, 2014

CLINCH COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended July 31, 2013

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, 2013. 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 FY13 are as follows:

The County's total net position decreased by $1,552,615.

The County's governmental fund assets exceeded its liabilities at July 31, 2013 by $ 2,826,835 (fund balances). Of this amount $1,119,705 (unassigned fund balance) 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 $201,785 resulting in a fund balance of $1,475,939.

**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 Position and the Statement of Activities

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. The statement of activities presents information showing how the County's net position 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 position 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 position 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 Position:

**Clinch County's Net Position**

| | Governmental Activities | | Total Percentage Change |
|---|---|---|---|
| | **2012** | **2013** | **2012-2013** |
| Assets | | | |
| Current and other assets | $ 2,758,099 | $ 3,113,648 | 12.89% |
| Capital assets, net | 17,658,015 | 15,787,956 | -10.59% |
| **Total Assets** | **20,416,114** | **18,901,604** | -7.42% |
| Liabilities | | | |
| Current and other liabilities | 200,820 | 207,149 | 3.15% |
| Long-term liabilities | 734,187 | 765,963 | 4.33% |
| **Total Liabilities** | **935,007** | **973,112** | 4.08% |
| Net Position | | | |
| Invested in capital assets, net of related debt | 16,896,534 | 14,971,536 | -11.39% |
| Restricted | 605,550 | 1,310,831 | 116.47% |
| Unrestricted | 1,979,023 | 1,646,125 | -16.82% |
| **Total Net Position** | **$ 19,481,107** | **$ 17,928,492** | -7.97% |

As noted earlier, the County's net position, 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 $17,928,492 as of July 31, 2013. A large portion of the County's net position (848%) 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 position (7.3 percent) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted net position ($1,646,125) may be used to meet the County's ongoing obligations to citizens and creditors.

The next table shows the changes in net position for the year ending July 31, 2013.

**Changes in Clinch County's Net Position**

| | Governmental Activities | | Total Percentage Change |
|---|---|---|---|
| | **2012** | **2013** | **2012-2013** |
| **Revenues** | | | |
| Program Revenues | | | |
| Charges for services | $ 620,997 | $ 742,572 | 19.58% |
| Operating grants and contributions | 616,430 | 352,747 | -42.78% |
| Capital grants and contributions | 407,248 | 388,206 | -4.68% |
| Total Program Revenues | 1,644,675 | 1,483,525 | -9.80% |
| General Revenues | | | |
| Property taxes | 2,525,247 | 2,573,417 | 1.91% |
| Sales taxes | 1,100,752 | 1,049,694 | -4.64% |
| Timber taxes | 202,515 | 181,008 | -10.62% |
| Insurance premium taxes | 154,298 | 164,840 | 6.83% |
| Other taxes | 68,580 | 66,081 | -3.64% |
| Interest, penalties and costs - taxes | 65,060 | 66,006 | 1.45% |
| Investment earnings | 21,258 | 18,242 | -14.19% |
| Miscellaneous | 16,990 | 46,700 | 174.87% |
| Total General Revenues | 4,154,700 | 4,165,988 | 0.27% |
| **Total Revenues** | **5,799,375** | **5,649,513** | **-2.58%** |
| | | | |
| **Expenses** | | | |
| **Governmental Activities:** | | | |
| General Government | | | |
| Legislative and executive | $ 1,541,556 | $ 1,577,096 | 2.31% |
| Judicial | 470,977 | 487,955 | 3.60% |
| Public safety | 1,509,956 | 1,356,390 | -10.17% |
| Public works | 2,817,938 | 2,895,692 | 2.76% |
| Health and welfare | 168,826 | 88,824 | -47.39% |
| Culture and recreation | 73,409 | 163,067 | 122.13% |
| Housing and development | 89,620 | 91,250 | 1.82% |
| Intergovernmental | 407,356 | 514,677 | 26.35% |
| Interest on long-term debt | 28,551 | 27,177 | -4.81% |
| **Total Expenses** | 7,108,189 | 7,202,128 | 1.32% |
| | | | |
| **Change in Net Position** | **(1,308,814)** | **$ (1,552,615)** | **18.63%** |
| Net Position, Beginning | 20,789,921 | 19,481,107 | -6.30% |
| **Net Position, Ending** | **$ 19,481,107** | **$ 17,928,492** | **-7.97%** |

## 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**

| Function | Total Cost of Services 2012 | Total Cost of Services 2013 | Percentage Change 2012-2013 | Net Cost of Services 2012 | Net Cost of Services 2013 | Percentage Change 2012-2013 |
|---|---|---|---|---|---|---|
| General Government | | | | | | |
| Legislative and executive | $ 1,541,556 | $ 1,577,096 | 2.31% | $ 1,264,455 | $ 1,202,030 | -4.94% |
| Judicial | 470,977 | 487,955 | 3.60% | 171,475 | 125,801 | -26.64% |
| Public safety | 1,509,956 | 1,356,390 | -10.17% | 1,083,942 | 1,095,465 | 1.06% |
| Public works | 2,817,938 | 2,895,692 | 2.76% | 2,617,221 | 2,501,677 | -4.41% |
| Health and welfare | 168,826 | 88,824 | -47.39% | 134,841 | 88,824 | -34.13% |
| Culture and recreation | 73,409 | 163,067 | 122.13% | 73,409 | 133,706 | 82.14% |
| Housing and development | 89,620 | 91,250 | 1.82% | 89,620 | 29,246 | -67.37% |
| Intergovernmental | 407,356 | 514,677 | 26.35% | 89,620 | 514,677 | 474.29% |
| Interest on long-term debt | 28,551 | 27,177 | -4.81% | 28,551 | 27,177 | -4.81% |
| **Total** | **$ 7,108,189** | **$ 7,202,128** | **1.32%** | **$ 5,553,134** | **$ 5,718,603** | **2.98%** |

## 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, 2013, the County's governmental funds reported a combined ending fund balance of $2,826,835, an increase of $358,917. Approximately 40% of this total ($1,19,705) 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, 2013, the unassigned fund balance was $ 1,119,705.

**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, 2013, 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 FY13 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 FY13.

**Debt**

At July 31, 2013, the County had total capital lease debt outstanding of $816,420.

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 FY13.

Local option sales tax decreased 7% in FY13.

**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.

CLINCH COUNTY, GEORGIA
STATEMENT OF NET POSITION
July 31, 2013

| | Primary Government | | Component Unit |
|---|---|---|---|
| | Governmental Activities | Total | Clinch County Board of Health |
| ASSETS | | | |
| Cash | $ 2,619,184 | $ 2,619,184 | $ 126,383 |
| Taxes receivable | 160,388 | 160,388 | - |
| Accounts receivable | 33,182 | 33,182 | - |
| Notes receivable | 171,448 | 171,448 | - |
| Due from other governments | 89,350 | 89,350 | - |
| Net pension obligation asset | 40,096 | 40,096 | - |
| Nondepreciable capital assets | 105,130 | 105,130 | - |
| Depreciable capital assets, net | 15,682,826 | 15,682,826 | 4,786 |
| TOTAL ASSETS | 18,901,604 | 18,901,604 | 131,169 |
| LIABILITIES | | | |
| Accounts payable | 57,478 | 57,478 | - |
| Accrued liabilities | 23,099 | 23,099 | - |
| Due to other governments | 28,488 | 28,488 | - |
| Long-term liabilities: | | | |
| Due within one year: | | | |
| Capital leases payable | 69,508 | 69,508 | - |
| Compensated absences | 28,576 | 28,576 | 10,976 |
| Due in more than one year: | | | |
| Capital leases payable | 746,912 | 746,912 | - |
| Compensated absences | 19,051 | 19,051 | 10,976 |
| TOTAL LIABILITIES | 973,112 | 973,112 | 21,952 |
| NET POSITION | | | |
| Invested in capital assets (net of related debt) | 14,971,536 | 14,971,536 | 4,786 |
| Restricted for: | | | |
| Capital projects | 968,347 | 968,347 | - |
| Jail operations | 12,762 | 12,762 | - |
| Purposes designated by referendum | 306,854 | 306,854 | - |
| Drug enforcement | 18,441 | 18,441 | - |
| Law library | 4,427 | 4,427 | - |
| Prior year program income | - | - | 86,793 |
| Unrestricted | 1,646,125 | 1,646,125 | 17,638 |
| TOTAL NET POSITION | $ 17,928,492 | $ 17,928,492 | $ 109,217 |

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

CLINCH COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For The Year Ended July 31, 2013

| 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 | $ 1,577,096 | $ 374,791 | $ 275 | $ - |
| Judicial | 487,955 | 199,688 | 162,466 | - |
| Public Safety | 1,356,390 | 117,628 | 128,002 | 15,295 |
| Public Works | 2,895,692 | 21,104 | - | 372,911 |
| Health and Welfare | 88,824 | - | - | - |
| Culture and Recreation | 163,067 | 29,361 | - | - |
| Housing and Development | 91,250 | - | 62,004 | - |
| Intergovernmental | 514,677 | - | - | - |
| Interest on Long-term Debt | 27,177 | - | - | - |
| TOTAL GOVERNMENTAL ACTIVITIES | 7,202,128 | 742,572 | 352,747 | 388,206 |
| TOTAL PRIMARY GOVERNMENT | $ 7,202,128 | 742,572 | 352,747 | 388,206 |
| COMPONENTS UNITS | | | | |
| Clinch County Board of Health | $ 345,968 | $ 94,019 | $ 238,418 | $ - |
| TOTAL COMPONENT UNITS | $ 345,968 | $ 94,019 | $ 238,418 | $ - |
| 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 POSITION | | | | |
| NET POSITION AT BEGINNING OF YEAR | | | | |
| NET POSITION AT END OF YEAR | | | | |

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

| Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|
| Primary Government | | Component Unit |
| Governmental Activities | Total | Clinch County Board of Health |
| $ (1,202,030) | $ (1,202,030) | $ - |
| (125,801) | (125,801) | - |
| (1,095,465) | (1,095,465) | - |
| (2,501,677) | (2,501,677) | - |
| (88,824) | (88,824) | - |
| (133,706) | (133,706) | - |
| (29,246) | (29,246) | - |
| (514,677) | (514,677) | |
| (27,177) | (27,177) | - |
| (5,718,603) | (5,718,603) | - |
| (5,718,603) | (5,718,603) | - |
| $ - | $ - | $ (13,531) |
| $ - | $ - | $ (13,531) |
| 2,573,417 | 2,573,417 | - |
| 181,008 | 181,008 | - |
| 1,049,694 | 1,049,694 | - |
| 3,823 | 3,823 | - |
| 31,646 | 31,646 | - |
| 164,840 | 164,840 | - |
| 2,152 | 2,152 | - |
| 15,622 | 15,622 | |
| 66,006 | 66,006 | - |
| 12,838 | 12,838 | |
| 18,242 | 18,242 | - |
| 46,700 | 46,700 | - |
| 4,165,988 | 4,165,988 | - |
| (1,552,615) | (1,552,615) | (13,531) |
| 19,481,107 | 19,481,107 | 122,748 |
| $ 17,928,492 | $ 17,928,492 | $ 109,217 |

CLINCH COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
July 31, 2013

| | General Fund | Capital Projects Funds: Public Roads Fund | Capital Projects Funds: 2009 Special Purpose Sales Tax Fund | Revolving Loan Fund | Other Governmental Funds | Total |
|---|---|---|---|---|---|---|
| ASSETS | | | | | | |
| Cash | $ 1,440,220 | $ 277,187 | $ 699,143 | $ 135,406 | $ 67,228 | $ 2,619,184 |
| Taxes receivable | 160,388 | - | - | - | - | 160,388 |
| Accounts receivable | 32,694 | - | - | - | 488 | 33,182 |
| Note receivable | - | - | - | 171,448 | - | 171,448 |
| Due from other governments | 24,468 | - | 51,382 | - | 13,500 | 89,350 |
| Interfund receivable | 5,447 | - | 74 | - | - | 5,521 |
| TOTAL ASSETS | 1,663,217 | 277,187 | 750,599 | 306,854 | 81,216 | 3,079,073 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | 26,527 | 15,698 | 15,253 | - | - | 57,478 |
| Accrued liabilities | 14,839 | - | - | - | - | 14,839 |
| Interfund payable | - | - | - | - | 5,521 | 5,521 |
| Due to other governments | - | - | 28,488 | - | - | 28,488 |
| Deferred revenues | 145,912 | - | - | - | - | 145,912 |
| TOTAL LIABILITIES | 187,278 | 15,698 | 43,741 | - | 5,521 | 252,238 |
| FUND BALANCES | | | | | | |
| Restricted for: | | | | | | |
| Capital projects | - | 261,489 | 706,858 | - | - | 968,347 |
| Jail operations | - | - | - | - | 12,762 | 12,762 |
| Purposes designated by referendum | - | - | - | 306,854 | - | 306,854 |
| Drug enforcement | - | - | - | - | 18,441 | 18,441 |
| Drug education and treatment | - | - | - | - | 10,015 | 10,015 |
| Law library | - | - | - | - | 4,427 | 4,427 |
| Public safety | - | - | - | - | 30,050 | 30,050 |
| Assigned for: | | | | | | |
| Property tax roll back | 356,234 | - | - | - | - | 356,234 |
| Unassigned reported in: | | | | | | |
| General Fund | 1,119,705 | - | - | - | - | 1,119,705 |
| TOTAL FUND BALANCES | 1,475,939 | 261,489 | 706,858 | 306,854 | 75,695 | 2,826,835 |
| TOTAL LIABILITIES AND FUND BALANCES | $ 1,663,217 | $ 277,187 | $ 750,599 | $ 306,854 | $ 81,216 | $ 3,079,073 |

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

CLINCH COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
July 31, 2013

| | | |
|---|---|---|
| **Total Governmental Fund Balances** | | $ 2,826,835 |
| **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 | | 40,096 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | |
| Governmental capital assets | $ 51,333,846 | |
| Less accumulated depreciation | (35,545,890) | 15,787,956 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental activities. | | |
| Capital leases payable | (816,420) | |
| Capital leases accrued interest | (8,260) | |
| Compensated absences | (47,627) | (872,307) |
| Deferred revenue in governmental activities are susceptible to full accrual in the government-wide statement of net assets. | | |
| Deferred revenues | | 145,912 |
| **Net Position of Governmental Activities** | | $ 17,928,492 |

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, 2013

| | General Fund | Capital Projects Funds: Public Roads Fund | Capital Projects Funds: 2009 Special Purpose Sales Tax Fund | Revolving Loan Fund | Other Governmental Funds | Total |
|---|---|---|---|---|---|---|
| REVENUES | | | | | | |
| Taxes | $ 3,384,834 | $ - | $ 708,285 | $ - | $ - | $ 4,093,119 |
| Licenses and permits | 14,090 | - | - | - | - | 14,090 |
| Intergovernmental revenues | 314,613 | 277,225 | 95,685 | - | 140,738 | 828,261 |
| Charges for services | 505,927 | - | - | - | - | 505,927 |
| Fines and forfeitures | 82,085 | - | - | - | 45,463 | 127,548 |
| Investment income | 12,696 | - | 4,473 | 7,832 | 938 | 25,939 |
| Miscellaneous | 13,318 | - | - | - | 1,375 | 14,693 |
| TOTAL REVENUES | 4,327,563 | 277,225 | 808,443 | 7,832 | 188,514 | 5,609,577 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | | | | | | |
| Legislative and executive | 1,580,367 | - | - | - | - | 1,580,367 |
| Judicial | 463,834 | - | - | - | 7,713 | 471,547 |
| Public safety | 1,069,413 | - | - | - | 130,522 | 1,199,935 |
| Public works | 707,668 | 15,736 | 30,838 | - | 197,708 | 951,950 |
| Health and welfare | 88,824 | - | - | - | - | 88,824 |
| Culture and recreation | 159,289 | - | - | - | - | 159,289 |
| Housing and development | 88,391 | - | - | - | - | 88,391 |
| Intergovernmental expense | - | - | 392,706 | - | 121,971 | 514,677 |
| Capital outlay | - | - | 254,915 | - | - | 254,915 |
| Debt service | | | | | | |
| Principle retirement | - | - | 57,115 | - | - | 57,115 |
| Interest | - | - | 27,712 | - | - | 27,712 |
| TOTAL EXPENDITURES | 4,157,786 | 15,736 | 763,286 | - | 457,914 | 5,394,722 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 169,777 | 261,489 | 45,157 | 7,832 | (269,400) | 214,855 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Capital lease financing | - | - | 112,054 | - | - | 112,054 |
| Proceeds of capital asset dispositions | 32,008 | - | - | - | - | 32,008 |
| TOTAL OTHER FINANCING SOURCES (USES): | 32,008 | - | 112,054 | - | - | 144,062 |
| NET CHANGE IN FUND BALANCE | 201,785 | 261,489 | 157,211 | 7,832 | (269,400) | 358,917 |
| FUND BALANCE, BEGINNING OF YEAR | 1,274,154 | - | 549,647 | 299,022 | 345,095 | 2,467,918 |
| FUND BALANCE AT END OF YEAR | $ 1,475,939 | $ 261,489 | $ 706,858 | $ 306,854 | $ 75,695 | $ 2,826,835 |

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, 2013

| | | |
|---|---|---|
| **Net Change in Fund Balances - Total Governmental Funds** | | $ 358,917 |
| **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 | | 5,149 |
| 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 | 234,224 | |
| Current year depreciation expense | (2,104,283) | (1,870,059) |
| 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 | | 7,928 |
| Revenues not reported on the statement of activities that provide current current financial resources are reported as revenues in governmental funds: | | |
| Capital lease financing | | (112,054) |
| 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 accrued interest | 536 | |
| Net change in long-term compensated absences | (147) | 389 |
| 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 | | 57,115 |
| **Change in Net Position of Governmental Activities** | | $ (1,552,615) |

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

CLINCH COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
July 31, 2013

| | Agency Funds |
|---|---|
| ASSETS | |
| Cash | $ 415,656 |
| TOTAL ASSETS | $ 415,656 |
| LIABILITIES | |
| Due to others | $ 415,656 |
| TOTAL LIABILITIES | 415,656 |
| NET POSITION | $ - |

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, 2013

*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 $5,259 to the Regional Commission for the year ended July 31, 2013. 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 position 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 position 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 position 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 2009 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.

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 position and changes in net position. 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 position.

**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, 2013, but were levied to finance FY13 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 position 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 position.

**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 Position**

Net position represents the difference between assets and liabilities. Net position 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 position 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 position 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, 2013 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 | $ 24,468 |
| Total - General Fund | $ 24,468 |
| | |
| Special Revenue Funds | |
| Multiple Grant Fund | |
| Georgia Environmental Management Agency | $ 13,500 |
| Total - Special Revenue Funds | $ 13,500 |
| | |
| Capital Project Funds | |
| 2009 SPLOST Fund | |
| Georgia Department of Revenue | $ 51,382 |
| | |
| Total - Due From Other Governments | $ 89,350 |

**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, 2013 is as follows:

| | Balance at August 1, 2012 | Additions | Reductions | Balance at July 31, 2013 |
|---|---|---|---|---|
| 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 | $ 11,000 | $ - | $ 2,492,226 |
| Machinery and equipment | 1,693,032 | 112,054 | 119,746 | 1,685,340 |
| Furniture and fixtures | 434,057 | - | - | 434,057 |
| Vehicles | 1,116,711 | 111,170 | 78,965 | 1,148,916 |
| Infrastructure | 45,468,177 | - | - | 45,468,177 |
| Total Depreciable Capital Assets | 51,193,203 | 234,224 | 198,711 | 51,228,716 |
| Less Accumulated Depreciation for: | | | | |
| Buildings and building improvements | 774,562 | 29,019 | - | 803,581 |
| Machinery and equipment | 912,719 | 121,766 | 119,746 | 914,739 |
| Furniture and fixtures | 406,303 | 15,152 | - | 421,455 |
| Vehicles | 620,642 | 114,700 | 78,965 | 656,377 |
| Infrastructure | 30,926,092 | 1,823,646 | - | 32,749,738 |
| Total Accumulated Depreciation | 33,640,318 | 2,104,283 | 198,711 | 35,545,890 |
| Total Depreciable Capital Assets, Net | 17,552,885 | (1,870,059) | - | 15,682,826 |
| Governmental Activities Capital Assets, Net | $ 17,658,015 | $ (1,870,059) | $ - | $ 15,787,956 |

**Note 6 – Capital Assets – Continued**

Depreciation was charged to governmental functions as follows:

| | | |
|---|---|---|
| Governmental activities: | | |
| General Government | | |
| Legislative and Executive | $ | 12,730 |
| Judicial | | 11,497 |
| Public Safety | | 133,801 |
| Public Works | | 1,939,617 |
| Culture and Recreation | | 3,778 |
| Housing and Development | | 2,860 |
| Total Depreciation Expense - Governmental Activities | $ | 2,104,283 |

**Note 7 – Interfund Balances and Transfers**

The composition of interfund balances as of July 31, 2013, is as follows:

| | Interfund Receivable | Interfund Payable |
|---|---|---|
| General Fund | | |
| South Georgia Drug Task Force Fund | $ 947 | $ - |
| Multiple Grant Fund | 4,500 | - |
| | 5,447 | - |
| Special Revenue Funds | | |
| South Georgia Drug Task Force Fund | | |
| General Fund | - | 947 |
| SPLOST 2009 Fund | 74 | - |
| SPLOST Fund | - | 74 |
| Multiple Grant Fund | | |
| General Fund | - | 4,500 |
| Total Governmental Funds | $ 5,521 | $ 5,521 |

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.

**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, 2012 | Additions | Reductions | Balance at July 31, 2013 | Amount Due In One Year |
|---|---|---|---|---|---|
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| Compensated absences | $ 47,480 | $ 28,635 | $ 28,488 | $ 47,627 | $ 28,576 |
| Total Primary Government | $ 47,480 | $ 28,635 | $ 28,488 | $ 47,627 | $ 28,576 |
| Component Unit - Board of Health: | | | | | |
| Compensated absences | $ 21,145 | $ 11,380 | $ 10,573 | $ 21,952 | $ 10,976 |

**Note 9 - Long-Term Debt**

The following is a summary of the debt transactions of the County for the fiscal year ended July 31, 2013:

| | Balance at July 31, 2012 | Additions | Reductions | Balance at July 31, 2013 | Amount Due In One Year |
|---|---|---|---|---|---|
| Governmental Activities | | | | | |
| Capital leases | $ 761,481 | $ 112,054 | $ 57,115 | $ 816,420 | $ 69,508 |
| Total Governmental Activities | $ 761,481 | $ 112,054 | $ 57,115 | $ 816,420 | $ 69,508 |

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 | 2013 |
| Capital Lease | Motor Graders | 2012 | 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 |
| 2014 | 69,508 | 27,169 |
| 2015 | 71,689 | 24,966 |
| 2016 | 640,312 | 24,365 |
| 2017 | 23,140 | 560 |
| 2018 | 11,771 | 79 |
| Total | $ 816,420 | $ 77,139 |

**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 July 31, 2013, was as follows:

| | |
|---|---|
| Equipment | $ 90,278 |
| Less Accumulated Depreciation | (85,492) |
| Net Property and Equipment | $ 4,786 |

**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 1.25% of gross earnings to the retirement account and .25% of gross earnings to the GTLI premiums except for employees covered by the new GSEPS plan that was effective January 1, 2009. The GSEPS plan employees contribute 1.25% of their gross pay and are not eligible for the GTLI. GSEPS participants are also eligible to participate in a 401K Plan with employer match contributions based on employee contributions. The County Board of Health makes annual contributions to the pension plan equal to the amount required as set by the Board of Trustees of the PERS as determined by the system's actuary. Employer contributions amounted to 13.71%, 18.46% and 15.18% of covered compensation for the fiscal year for participants in the old, new and GSEPS plan respectively for the year ended June 30, 2013.Employer contributions made for the year ended June 30, 2013 totaled $23,867. 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, 2013. 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, 2013 (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 |
| Disabled in pay status | 1 |
| Terminated plan participants entitled to but not receiving benefits | 18 |
| Active employees participating in the Plan | 13 |
| Total | 38 |

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, 2012 | 639,049 | 938,725 | 299,676 | 68.1% | 551,913 | 54.3% |
| 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, 2013. The following summarizes the actuarial methods and assumptions used that valuation:

| | |
|---|---|
| Current Valuation Date | January 1, 2013 |
| 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:

| | 2013 | 2012 |
|---|---|---|
| Net Pension Obligation as of the Beginning of Prior Year | $ (34,947) | $ (30,140) |
| Annual Pension Cost of Prior Year | 25,174 | 25,914 |
| Actual Contributions to Plan for Prior Year | 30,323 | 30,721 |
| Increase in Net Pension Obligation | $ (5,149) | $ (4,807) |
| Net Pension Obligation as of Beginning of the Year | $ (40,096) | $ (34,947) |

Derivation of Annual Pension Cost:

| | | |
|---|---|---|
| Annual Required Contribution | $ 45,060 | $ 24,984 |
| Interest on Net Pension Obligation | (3,107) | (2,708) |
| Amortization of Net Pension Obligation | 3,325 | 2,898 |
| Annual Pension Cost | $ 45,278 | $ 25,174 |

TREND INFORMATION FOR THE PLAN

| Fiscal Year Beginning | Annual Pension Cost | Actual County Contribution | Percentage Contributed | Net Pension Obligation (Asset) |
|---|---|---|---|---|
| January 1, 2013 | $ 45,278 | $ 50,427 | 111.4% | $ (40,096) |
| January 1, 2012 | 25,174 | 30,323 | 120.5% | (34,947) |
| January 1, 2011 | 25,914 | 30,721 | 118.5% | (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 | 27,381 | 29,544 | 107.9% | (18,883) |

**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, 2013, the plan members contributed $21,983 and the County contributed $84,471 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 – Expenditures in Excess of Appropriations**

The following funds' expenditures/expenses exceeded appropriations:

| | Expenditures/ Expenses Actual | Appropriations | Amount Exceeding Appropriations |
|---|---|---|---|
| General Fund: | | | |
| Commissioners' Office | $ 216,199 | $ 198,995 | $ 17,204 |
| Tax Assessor's Office | 89,428 | 84,157 | 5,271 |
| Clerk of Courts | 114,959 | 112,268 | 2,691 |
| District Attorney | 2,034 | 2,000 | 34 |
| Public Defender | 36,830 | 32,576 | 4,254 |
| Emergency Management Service | 165,917 | 164,350 | 1,567 |
| Coroner Office | 8,136 | 8,107 | 29 |
| School Resource Officer | 18,580 | - | 18,580 |
| Road Department | 425,017 | 405,471 | 19,546 |
| Solid Waste Management | 282,651 | 270,966 | 11,685 |
| Public Health Services | 65,083 | 64,918 | 165 |
| Concerted Services | 1,341 | - | 1,341 |
| Senior Center | 82,720 | 81,587 | 1,133 |
| Recreation | 60,894 | 55,900 | 4,994 |
| Forestry | 50,006 | 49,810 | 196 |
| Building Inspection | 3,883 | - | 3,883 |
| 2009 SPLOST Fund | 763,286 | 320,700 | 442,586 |
| Public Roads Fund | 15,736 | - | 15,736 |

**Note 17 – Subsequent Event**

Subsequent events were evaluated through April 1, 2014 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, 2013

| | Budgeted Amounts | | | Variance With Final Budget Over (Under) |
|---|---|---|---|---|
| | Original | Final | Actual | |
| **REVENUES** | | | | |
| Taxes | $ 3,291,502 | $ 3,291,502 | $ 3,384,834 | $ 93,332 |
| Licenses and permits | 8,000 | 8,000 | 14,090 | 6,090 |
| Intergovernmental revenues | 283,649 | 283,649 | 314,613 | 30,964 |
| Charges for services | 476,700 | 476,700 | 505,927 | 29,227 |
| Fines and forfeitures | 77,000 | 77,000 | 82,085 | 5,085 |
| Investment income | 11,500 | 11,500 | 12,696 | 1,196 |
| Miscellaneous | 35,015 | 35,015 | 13,318 | (21,697) |
| Total Revenues | $ 4,183,366 | $ 4,183,366 | $ 4,327,563 | $ 144,197 |
| **EXPENDITURES** | | | | |
| **GENERAL GOVERNMENT** | | | | |
| Legislative and executive | | | | |
| Commissioners' Office | $ 198,995 | $ 198,995 | $ 216,199 | $ 17,204 |
| Tax Assessor's Office | 84,157 | 84,157 | 89,428 | 5,271 |
| Tax Commissioner's Office | 121,005 | 121,005 | 120,693 | (312) |
| Equalization Board | 2,200 | 2,200 | 1,917 | (283) |
| Public Buildings | 155,522 | 155,522 | 154,105 | (1,417) |
| Elections | 83,919 | 83,919 | 57,795 | (26,124) |
| Non-Departmental | 955,728 | 955,728 | 940,230 | (15,498) |
| Total General Government | 1,601,526 | 1,601,526 | 1,580,367 | (21,159) |
| **JUDICIAL** | | | | |
| Superior Court | 42,316 | 42,316 | 36,832 | (5,484) |
| Clerk of Courts | 112,268 | 112,268 | 114,959 | 2,691 |
| District Attorney | 2,000 | 2,000 | 2,034 | 34 |
| Juvenile Court | 89,800 | 89,800 | 86,923 | (2,877) |
| Public Defender | 32,576 | 32,576 | 36,830 | 4,254 |
| Probate Court | 197,249 | 197,249 | 186,256 | (10,993) |
| Total Judicial | 476,209 | 476,209 | 463,834 | (12,375) |
| **PUBLIC SAFETY** | | | | |
| Sheriff | 528,916 | 528,916 | 518,441 | (10,475) |
| Fire Protection | 30,662 | 30,662 | 24,157 | (6,505) |
| E-911 Service | 134,070 | 134,070 | 132,958 | (1,112) |
| Emergency Management Agency | 36,848 | 36,848 | 22,602 | (14,246) |
| Emergency Medical Services | 164,350 | 164,350 | 165,917 | 1,567 |
| Coroner Office | 8,107 | 8,107 | 8,136 | 29 |
| School Resource Officer | - | - | 18,580 | 18,580 |
| Jail | 198,975 | 198,975 | 178,622 | (20,353) |
| Total Public Safety | 1,101,928 | 1,101,928 | 1,069,413 | (32,515) |

See independent auditor's report.

CLINCH COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending July 31, 2013

| | Budgeted Amounts | | | Variance With Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual | Over (Under) |
| **PUBLIC WORKS** | | | | |
| Road Department | 405,471 | 405,471 | 425,017 | 19,546 |
| Solid Waste Management | 270,966 | 270,966 | 282,651 | 11,685 |
| Total Public Works | $ 676,437 | $ 676,437 | $ 707,668 | $ 31,231 |
| **HEALTH AND WELFARE** | | | | |
| Public Health Services | $ 64,918 | $ 64,918 | $ 65,083 | $ 165 |
| Concerted Services | - | - | 1,341 | 1,341 |
| Department of Family and Children Services | 22,400 | 22,400 | 22,400 | - |
| Total Health and Welfare | 87,318 | 87,318 | 88,824 | 1,506 |
| **CULTURE AND RECREATION** | | | | |
| Recreation | 55,900 | 55,900 | 60,894 | 4,994 |
| Senior Center | 81,587 | 81,587 | 82,720 | 1,133 |
| Library | 15,675 | 15,675 | 15,675 | - |
| Total Culture and Recreation | 153,162 | 153,162 | 159,289 | 6,127 |
| **HOUSING AND DEVELOPMENT** | | | | |
| Forestry | 49,810 | 49,810 | 50,006 | 196 |
| County Agent's Office | 34,976 | 34,976 | 34,502 | (474) |
| Building Inspections | - | - | 3,883 | 3,883 |
| Total Community Development | 84,786 | 84,786 | 88,391 | 3,605 |
| **DEBT SERVICE** | | | | |
| Interest | 2,000 | 2,000 | - | (2,000) |
| Total Debt Service | 2,000 | 2,000 | - | (2,000) |
| TOTAL EXPENDITURES | 4,183,366 | 4,183,366 | 4,157,786 | (25,580) |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | - | - | 169,777 | 169,777 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of assets | - | - | 32,008 | 32,008 |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | 32,008 | 32,008 |
| NET CHANGE IN FUND BALANCE | - | - | 201,785 | 201,785 |
| FUND BALANCES | | | | |
| FUND BALANCE AT BEGINNING OF YEAR | - | - | 1,274,154 | 1,274,154 |
| FUND BALANCE, END OF YEAR | $ - | $ - | $ 1,475,939 | $ 1,475,939 |

See independent auditor's 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, 2013

| | Budgeted Amounts | | | Variance With Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual | Over (Under) |
| REVENUES | | | | |
| Investment income | $ 8,132 | $ 8,132 | $ 7,832 | $ (300) |
| TOTAL REVENUES | 8,132 | 8,132 | 7,832 | (300) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 171,982 | 171,982 | - | (171,982) |
| TOTAL EXPENDITURES | 171,982 | 171,982 | - | (171,982) |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (163,850) | (163,850) | 7,832 | 171,682 |
| FUND BALANCE BEGINNING OF YEAR | 163,850 | 163,850 | 299,022 | 135,172 |
| FUND BALANCE END OF YEAR | $ - | $ - | $ 306,854 | $ 306,854 |

See independent auditor's report.

CLINCH COUNTY, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended July 31, 2013

**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.

**Public Roads Fund** – To account for the Local Government Improvement Funds (LIMIG) used for road improvements.

**Capital Projects 2009 Special Purpose Sales Tax Fund** – To account for the special purpose local option sales tax that was approved by 2009 referendum. The revenue is restricted to the stated purposes of the referendum.

CLINCH COUNTY, GEORGIA
PUBLIC ROADS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended July 31, 2013

| | Budgeted Amounts | | | Variance With Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual | Over (Under) |
| REVENUES | | | | |
| Intergovernmental revenue | $ - | $ - | $ 277,225 | $ 277,225.0 |
| TOTAL REVENUES | - | - | 277,225 | 277,225 |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works | - | - | 15,736 | 15,736 |
| TOTAL EXPENDITURES | - | - | 15,736 | - |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | - | - | 261,489 | 277,225 |
| FUND BALANCE BEGINNING OF YEAR | - | - | - | - |
| FUND BALANCE END OF YEAR | $ - | $ - | $ 261,489 | $ 277,225 |

See independent auditor's 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, 2013

| | Budgeted Amounts | | | Variance With Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual | Over (Under) |
| REVENUES | | | | |
| Taxes | $ 318,500 | $ 318,500 | $ 708,285 | $ 389,785 |
| Intergovernmental revenue | - | - | 95,685 | 95,685 |
| Investment income | 2,200 | 2,200 | 4,473 | 2,273 |
| TOTAL REVENUES | 320,700 | 320,700 | 808,443 | 487,743 |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works | - | - | 30,838 | 30,838 |
| Intergovernmental | - | - | 392,706 | 392,706 |
| Capital outlay | 320,700 | 320,700 | 254,915 | (65,785) |
| Debt service | - | - | 84,827 | 84,827 |
| TOTAL EXPENDITURES | 320,700 | 320,700 | 763,286 | 442,586 |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | - | - | 45,157 | 45,157 |
| OTHER FINANCING SOURCES | | | | |
| Capital lease financing | - | - | 112,054 | 112,054 |
| EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES | | | 157,211 | |
| FUND BALANCE BEGINNING OF YEAR | - | - | 549,647 | 549,647 |
| FUND BALANCE END OF YEAR | $ - | $ - | $ 706,858 | $ 706,858 |

See independent auditor's 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.

**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.

**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

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

**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.

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

CLINCH COUNTY, GEORGIA
ALL NONMAJOR FUNDS
COMBINING BALANCE SHEET
July 31, 2013

| | Capital Projects Fund | Special Revenue Funds | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Special Purpose Sales Tax Fund | Multiple Grant Fund | Jail Fund | Law Library Fund | D.A.T.E. Fund | South Georgia Drug Task Force Fund | Sheriff's Drug Fund | Total |
| ASSETS | | | | | | | | |
| Cash | $ 74 | $ 21,050 | $ 12,649 | $ 4,427 | $ 9,640 | $ 947 | $ 18,441 | $ 67,228 |
| Due from other governments | - | 13,500 | - | - | - | - | - | 13,500 |
| Accounts receivable | - | - | 113 | - | 375 | - | - | 488 |
| TOTAL ASSETS | $ 74 | $ 34,550 | $ 12,762 | $ 4,427 | $ 10,015 | $ 947 | $ 18,441 | $ 81,216 |
| LIABILITIES AND FUND BALANCE | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Interfund payable | 74 | 4,500 | - | - | - | 947 | - | 5,521 |
| TOTAL LIABILITIES | 74 | 4,500 | - | - | - | 947 | - | 5,521 |
| FUND BALANCES | | | | | | | | |
| Restricted for: | | | | | | | | |
| Law library | - | - | - | 4,427 | - | - | - | 4,427 |
| Drug education and treatment | - | - | - | - | 10,015 | - | - | 10,015 |
| Drug enforcement | - | - | - | - | - | - | 18,441 | 18,441 |
| Jail operations | - | - | 12,762 | - | - | - | - | 12,762 |
| Public safety | - | 30,050 | - | - | - | - | - | 30,050 |
| TOTAL FUND BALANCES | - | 30,050 | 12,762 | 4,427 | 10,015 | - | 18,441 | 75,695 |

See independent auditor's report.

CLINCH COUNTY, GEORGIA
ALL NONMAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended July 31, 2013

| | Capital Projects Fund | Special Revenue Funds | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Special Purpose Sales Tax Fund | Multiple Grant Fund | Jail Fund | Law Library Fund | D.A.T.E. Fund | South Georgia Drug Task Force Fund | Sheriff's Drug Fund | Total |
| REVENUES | | | | | | | | |
| Fines and forfeitures | $ - | $ - | $ 13,366 | $ 4,810 | $ 6,058 | $ 3,263 | $ 17,966 | $ 45,463 |
| Intergovernmental revenue | - | 17,236 | - | - | - | 123,502 | - | 140,738 |
| Investment income | 666 | 95 | 69 | - | - | 108 | - | 938 |
| Miscellaneous income | - | - | - | - | - | 1,375 | - | 1,375 |
| TOTAL REVENUES | 666 | 17,331 | 13,435 | 4,810 | 6,058 | 128,248 | 17,966 | 188,514 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| Judicial | - | - | - | 7,713 | - | - | - | 7,713 |
| Public safety | - | 16,979 | 14,790 | - | 4,912 | 86,382 | 7,459 | 130,522 |
| Public works | 197,708 | - | - | - | - | - | - | 197,708 |
| Intergovernmental | - | - | - | - | - | 121,971 | - | 121,971 |
| TOTAL EXPENDITURES | 197,708 | 16,979 | 14,790 | 7,713 | 4,912 | 208,353 | 7,459 | 457,914 |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (197,042) | 352 | (1,355) | (2,903) | 1,146 | (80,105) | 10,507 | (269,400) |
| FUND BALANCE, BEGINNING OF YEAR | 197,042 | 29,698 | 14,117 | 7,330 | 8,869 | 80,105 | 7,934 | 345,095 |
| FUND BALANCE, END OF YEAR | $ - | $ 30,050 | $ 12,762 | $ 4,427 | $ 10,015 | $ - | $ 18,441 | $ 75,695 |

See independent auditor's report.

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, 2013

| | Budgeted Amounts | | | Variance With Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual | Over (Under) |
| REVENUES | | | | |
| Investment income | $ 1,500 | $ 1,500 | $ 666 | $ (834) |
| TOTAL REVENUES | 1,500 | 1,500 | 666 | (834) |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works | 214,500 | 214,500 | 197,708 | (16,792) |
| TOTAL EXPENDITURES | 214,500 | 214,500 | 197,708 | (16,792) |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (213,000) | (213,000) | (197,042) | 15,958 |
| FUND BALANCE BEGINNING OF YEAR | 213,000 | 213,000 | 197,042 | (15,958) |
| FUND BALANCE END OF YEAR | $ - | $ - | $ - | $ - |

See independent auditor's 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, 2013

| | Budgeted Amounts | | | Variance With Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual | Over (Under) |
| REVENUES | | | | |
| Intergovernmental revenues | $ 22,763 | $ 22,763 | $ 17,236 | $ (5,527) |
| Investment income | 132 | 132 | 95 | (37) |
| TOTAL REVENUES | 22,895 | 22,895 | 17,331 | (5,564) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 22,895 | 22,895 | 16,979 | (5,916) |
| TOTAL EXPENDITURES | 22,895 | 22,895 | 16,979 | (5,916) |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | - | - | 352 | 352 |
| FUND BALANCE BEGINNING OF YEAR | - | - | 29,698 | 29,698 |
| FUND BALANCE END OF YEAR | $ - | $ - | $ 30,050 | $ 30,050 |

See independent auditor's report.

CLINCH COUNTY, GEORGIA
JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended July 31, 2013

| | Budgeted Amounts | | | Variance With Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual | Over (Under) |
| REVENUES | | | | |
| Fines and forfeitures | $ 12,500 | $ 12,500 | $ 13,366 | $ 866 |
| Investment income | 100 | 100 | 69 | (31) |
| TOTAL REVENUES | 12,600 | 12,600 | 13,435 | 835 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 18,600 | 18,600 | 14,790 | (3,810) |
| TOTAL EXPENDITURES | 18,600 | 18,600 | 14,790 | (3,810) |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (6,000) | (6,000) | (1,355) | 4,645 |
| FUND BALANCE BEGINNING OF YEAR | 6,000 | 6,000 | 14,117 | 8,117 |
| FUND BALANCE END OF YEAR | $ - | $ - | $ 12,762 | $ 12,762 |

See independent auditor's 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, 2013

| | Budgeted Amounts | | | Variance With Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual | Over (Under) |
| REVENUES | | | | |
| Fines and forfeitures | $ 8,373 | $ 8,373 | $ 4,810 | $ (3,563) |
| TOTAL REVENUES | 8,373 | 8,373 | 4,810 | (3,563) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Judicial | 15,186 | 15,186 | 7,713 | (7,473) |
| TOTAL EXPENDITURES | 15,186 | 15,186 | 7,713 | (7,473) |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (6,813) | (6,813) | (2,903) | 3,910 |
| FUND BALANCE BEGINNING OF YEAR | 6,813 | 6,813 | 7,330 | 517 |
| FUND BALANCE END OF YEAR | $ - | $ - | $ 4,427 | $ 4,427 |

See independent auditor's 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, 2013

| | Budgeted Amounts | | | Variance With Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual | Over (Under) |
| REVENUES | | | | |
| Fines and forfeitures | $ 1,200 | $ 1,200 | $ 6,058 | $ 4,858 |
| TOTAL REVENUES | 1,200 | 1,200 | 6,058 | 4,858 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 8,086 | 8,086 | 4,912 | (3,174) |
| TOTAL EXPENDITURES | 8,086 | 8,086 | 4,912 | (3,174) |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (6,886) | (6,886) | 1,146 | 8,032 |
| FUND BALANCE BEGINNING OF YEAR | 6,886 | 6,886 | 8,869 | 1,983 |
| FUND BALANCE END OF YEAR | $ - | $ - | $ 10,015 | $ 10,015 |

See independent auditor's report.

CLINCH COUNTY, GEORGIA
SOUTH GEORGIA DRUG TASK FORCE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended July 31, 2013

| | Budgeted Amounts | | | Variance With Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual | Over (Under) |
| REVENUES | | | | |
| Intergovernmental revenues | $ 300,000 | $ 300,000 | $ 123,502 | $ (176,498) |
| Fines and forfeitures | - | - | 3,264 | 3,264 |
| Investment income | - | - | 108 | 108 |
| Miscellaneous | - | - | 1,374 | 1,374 |
| TOTAL REVENUES | 300,000 | 300,000 | 128,248 | (171,752) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 300,000 | 300,000 | 86,382 | (213,618) |
| Intergovernmental | - | - | 121,971 | 121,971 |
| TOTAL EXPENDITURES | 300,000 | 300,000 | 208,353 | (91,647) |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | - | - | (80,105) | (80,105) |
| FUND BALANCE BEGINNING OF YEAR | - | - | 80,105 | 80,105 |
| FUND BALANCE END OF YEAR | $ - | $ - | $ - | $ - |

See independent auditor's 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, 2013

| | Budgeted Amounts | | | Variance With Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual | Over (Under) |
| REVENUES | | | | |
| Fines and forfeitures | $ 3,092 | $ 3,092 | $ 17,966 | $ 14,874 |
| TOTAL REVENUES | 3,092 | 3,092 | 17,966 | 14,874 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 7,501 | 7,501 | 7,459 | (42) |
| TOTAL EXPENDITURES | 7,501 | 7,501 | 7,459 | (42) |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (4,409) | (4,409) | 10,507 | 14,916 |
| FUND BALANCE BEGINNING OF YEAR | 4,409 | 4,409 | 7,934 | 3,525 |
| FUND BALANCE END OF YEAR | $ - | $ - | $ 18,441 | $ 18,441 |

See independent auditor's 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, 2013

CRIMINAL JUSTICE COORDINATING COUNCIL GRANTS

| | #DCSI-B11-8-035 | | | |
|---|---|---|---|---|
| | | ACTUAL FUNDS EXPENDED | | |
| | BUDGETED AMOUNT | THROUGH YEAR ENDED JULY 31, 2012 | DURING YEAR ENDED JULY 31, 2013 | CUMULATIVE |
| **EXPENDED FROM GRANT FUNDS:** | | | | |
| Personnel | $76,130 | $ 12,108 | $ 54,058 | $ 66,166 |
| Equipment | - | - | - | - |
| Supplies | - | - | - | - |
| Travel | - | - | - | - |
| Other | - | - | - | - |
| Printing | - | - | - | - |
| **Total** | $ 76,130 | $ 12,108 | $ 54,058 | $ 66,166 |

See independent auditor's 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, 2013

CRIMINAL JUSTICE COORDINATING COUNCIL GRANTS

| | #DCSI-B11-8-004 | | | |
|---|---|---|---|---|
| | | ACTUAL FUNDS EXPENDED | | |
| | BUDGETED AMOUNT | THROUGH YEAR ENDED JULY 31, 2012 | DURING YEAR ENDED JULY 31, 2013 | 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 auditor's 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, 2013

| | AGENCY FUNDS | | | | | |
|---|---|---|---|---|---|---|
| | TAX COMMISSIONER | PROBATE COURT | CLERK OF SUPERIOR COURT | OFFICE OF SHERIFF | MAGISTRATE COURT | TOTAL |
| ASSETS | | | | | | |
| Cash | $ 323,092 | $ 6,955 | $ 70,045 | $ 6,433 | $ 9,131 | $ 415,656 |
| TOTAL ASSETS | $ 323,092 | $ 6,955 | $ 70,045 | $ 6,433 | $ 9,131 | $ 415,656 |
| LIABILITIES AND FUND BALANCE | | | | | | |
| LIABILITIES | | | | | | |
| Due to others | $ 323,092 | $ 6,955 | $ 70,045 | $ 6,433 | $ 9,131 | $ 415,656 |
| TOTAL LIABLITIES | $ 323,092 | $ 6,955 | $ 70,045 | $ 6,433 | $ 9,131 | $ 415,656 |
| NET POSITION | $ - | $ - | $ - | $ - | $ - | $ - |

See independent auditor's report.

CLINCH COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For The Year Ending July 31, 2013

| | Balance August 1, 2012 | Additions | Deductions | Balance July 31, 2013 |
|---|---|---|---|---|
| OFFICE OF TAX COMMISSIONER | | | | |
| ASSETS | | | | |
| Cash | $ 36,938 | $ 8,092,837 | $ 7,806,683 | $ 323,092 |
| TOTAL ASSETS | $ 36,938 | $ 8,092,837 | $ 7,806,683 | $ 323,092 |
| LIABILITIES | | | | |
| Due to others | $ 36,938 | $ 8,092,837 | $ 7,806,683 | $ 323,092 |
| TOTAL LIABILITIES | $ 36,938 | $ 8,092,837 | $ 7,806,683 | $ 323,092 |
| PROBATE COURT | | | | |
| ASSETS | | | | |
| Cash | $ 8,492 | $ 68,389 | $ 69,926 | $ 6,955 |
| TOTAL ASSETS | $ 8,492 | $ 68,389 | $ 69,926 | $ 6,955 |
| LIABILITIES | | | | |
| Due to others | $ 8,492 | $ 68,389 | $ 69,926 | $ 6,955 |
| TOTAL LIABILITIES | $ 8,492 | $ 68,389 | $ 69,926 | $ 6,955 |
| CLERK OF COURT | | | | |
| ASSETS | | | | |
| Cash | $ 98,874 | $ 198,250 | $ 227,079 | $ 70,045 |
| TOTAL ASSETS | $ 98,874 | $ 198,250 | $ 227,079 | $ 70,045 |
| LIABILITIES | | | | |
| Due to others | $ 98,874 | $ 198,250 | $ 227,079 | $ 70,045 |
| TOTAL LIABILITIES | $ 98,874 | $ 198,250 | $ 227,079 | $ 70,045 |

See independent auditor's report.

CLINCH COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES - CONTINUED
For The Year Ending July 31, 2013

| | | Balance August 1, 2012 | Additions | Deductions | Balance July 31, 2013 |
|---|---|---|---|---|---|
| OFFICE OF SHERIFF | | | | | |
| ASSETS | | | | | |
| Cash | | $ 5,136 | $ 59,936 | $ 58,639 | $ 6,433 |
| | TOTAL ASSETS | $ 5,136 | $ 59,936 | $ 58,639 | $ 6,433 |
| LIABILITIES | | | | | |
| Due to others | | $ 5,136 | $ 59,936 | $ 58,639 | $ 6,433 |
| | TOTAL LIABILITIES | $ 5,136 | $ 59,936 | $ 58,639 | $ 6,433 |
| MAGISTRATE COURT | | | | | |
| ASSETS | | | | | |
| Cash | | $ 5,680 | $ 147,401 | $ 143,950 | $ 9,131 |
| | TOTAL ASSETS | $ 5,680 | $ 147,401 | $ 143,950 | $ 9,131 |
| LIABILITIES | | | | | |
| Due to others | | $ 5,680 | $ 147,401 | $ 143,950 | $ 9,131 |
| | TOTAL LIABILITIES | $ 5,680 | $ 147,401 | $ 143,950 | $ 9,131 |

See independent auditor's report.

COMPLIANCE SECTION

CLINCH COUNTY, GEORGIA
SCHEDULE OF PROJECTS FUNDED BY SPECIAL PURPOSE SALES TAX PROCEEDS
For The Year Ended July 31, 2013

| | 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 | $ 5,458,234 | $ 5,260,526 | $ 197,708 | $ 5,458,234 | 100.00% |
| Totals | $ 4,121,831 | $ 5,458,234 | $ 5,260,526 | $ 197,708 | $ 5,458,234 | |
| 2009 SPLOST | | | | | | |
| Roads, streets and bridge maintenance and equipment | $ 1,310,464 | $ 1,310,464 | $ - | $ 30,839 | $ 30,839 | 2.35% |
| Public safety vehicles, equipment and facilities | 650,000 | 869,828 | 511,434 | 227,688 | 739,122 | 84.97% |
| City of Homerville | 1,613,832 | 1,613,832 | 713,201 | 259,785 | 972,986 | 60.29% |
| Homerville Recreation Board | 440,000 | 440,000 | 194,445 | 70,828 | 265,273 | 60.29% |
| City of Fargo | 218,768 | 218,768 | 96,680 | 35,216 | 131,896 | 60.29% |
| City of DuPont | 80,036 | 80,036 | 35,381 | 12,884 | 48,265 | 60.30% |
| City of Argyle | 86,900 | 86,900 | 38,381 | 13,992 | 52,373 | 60.27% |
| Totals | $ 4,400,000 | $ 4,619,828 | $ 1,589,522 | $ 651,232 | $ 2,240,754 | |
| Capital lease road equipment capital outlay | | | | 112,054 | | |
| Total current year expenditures | | | | $ 763,286 | | |

See independent auditor's report.

CLINCH COUNTY, GEORGIA
REVOLVING LOAN FUND
SUPPLEMENTARY INFORMATION REQUIRED BY
GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS
TWELVE MONTHS ENDED JULY 31, 2013

| | Twelve Months Ended 7/31/2013 |
|---|---|
| **Balance Sheet** | |
| Assets: | |
| Cash and cash equivalents | $ 135,406 |
| Loans receivable | 171,448 |
| Total Assets | 306,854 |
| Total Liabilities | - |
| Fund Balance Reserved for Revolving Loans | 306,854 |
| Total Liabilities and Fund Balance | $ 306,854 |
| **Statement of Revenues and Expenditures** | |
| Revenues: | |
| Interest earned from bank accounts | $ 7,699 |
| Interest earned from notes receivable | 133 |
| Total Revenues | 7,832 |
| Expenditures: | |
| Administrative | - |
| Total Expenditures | - |
| Excess of Revenues Over Expenditures | $ 7,832 |
| **Statement of Sources and Uses of Funds** | |
| Cash, Beginning of Period | $ 164,727 |
| Sources of Funds: | |
| Principal received on notes receivable | (37,153) |
| Interest received on notes receivable | 7,699 |
| Interest received on bank accounts | 133 |
| Total Sources of Funds | (29,321) |
| Cash, Ending of Period | $ 135,406 |

See independent auditor's report.

Tillman & Tillman, LLP
Certified Public Accountants & Consultants

Joseph H. Tillman, CPA
H. Harrison Tillman, Jr., CPA
Pamela K. Tillman, CPA
Eric M. Tillman, CPA
*H. Harrison Tillman, Sr., CPA (1927-2010)*

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

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, 2013 which collectively comprise the County's basic financial statements and have issued our report thereon, dated April 1, 2014. 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting noted as 2013-1. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing* and which are described in the accompanying schedule of findings and responses as items 2013-1.

Clinch County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Clinch County, Georgia's response and, accordingly, we express no opinion on it.

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

Tillman & Tillman, LLP

Valdosta, Georgia
April 1, 2014

CLINCH COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended July 31, 2013

**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? | __X__ Yes | _____ None reported |
| Noncompliance material to financial statements noted? | __X__ Yes | _____ No |

**Section II – Financial Statement Findings**

Current Year Findings

**Violations of Law**

2013-1 – Criteria

Clinch County has established the "legal level of control" for budgetary purposes at the department level. Georgia Statutes, O.C.G.A. 36-81-3(d)(1) states, "Any increase in appropriation at the legal level of control of the local government, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the governing authority. Such amendment shall be adopted by ordinance or resolution."

2013-1 – Violation

Per Note 16 several departments in the General Fund and two capital project funds had expenditures that exceeded appropriations.

2013-1 – Effect

The effect of this finding is a violation of Georgia Statutes (O.C.G.A. 36-81-3(d) (1)).

2013-1 – Cause

Unexpected expenditures in some department funds were incurred that did not result in amendments to the budget. Establishment of a fund for new funding occurred during the fiscal year after the budget was adopted. Future budgets will in include the new fund.

Prior Year Findings - None