TATTNALL COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Tattnall County, Georgia

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 Tattnall County, Georgia, as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Tattnall County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Tattnall County Board of Health. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tattnall County Board of Health, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tattnall County, Georgia, as of September 30, 2011, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and Solid Waste Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2012 on our consideration of Tattnall County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tattnall County, Georgia's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules and schedule of projects paid with SPLOST proceeds are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules, and schedule of projects paid with SPLOST proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Thigpen, Lanier, Waterfield & Oel

July 2, 2012

TATTNALL COUNTY, GEORGIA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

	Primary Government	Component Units	
ASSETS	Governmental Activities	Tattnall County Board of Health	Tattnall County Development Authority
Current Assets:			
Cash	$ 1,503,446	$ 719,130	$ -
Receivables:			
Accounts	308,068	-	-
Taxes	622,706	-	-
Intergovernmental	420,390	43,624	-
Interest	690	-	-
Other	68,211	-	-
Prepaid items	150,394	-	-
Net pension asset	128,262		
Capital Assets:			
Nondepreciable capital assets	4,440,403	-	-
Depreciable capital assets, net	11,632,070	20,575	-
Total Assets	19,274,640	783,329	-
LIABILITIES			
Current Liabilities:			
Accounts payable	350,044	1,088	-
Intergovernmental payable	47,880	-	-
Compensated absences payable	60,438	12,213	-
Notes payable	1,200,200	-	-
Capital leases payable	147,207	-	-
Landfill postclosure care costs	14,000	-	-
Long-Term Liabilities:			
Compensated absences payable (net of current portion)	241,753	12,213	-
Capital leases payable (net of current portion)	851,083	-	-
Landfill postclosure care costs (net of current portion)	168,000	-	-
Total Liabilities	3,080,605	25,514	-
NET ASSETS			
Invested in capital assets, net of related debt	13,873,983	20,575	-
Restricted for:			
Capital projects	13,346	-	-
Other purposes	377,185	243,934	-
Unrestricted	1,929,521	493,306	-
Total Net Assets	$ 16,194,035	$ 757,815	$ -

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Program/Function	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Units: Tattnall County Board of Health	Net (Expense) Revenue and Changes in Net Assets: Component Units: Tattnall County Development Authority
Primary Government							
General government	$ 1,586,716	$ 29,555	-	-	$ (1,557,161)		
Judicial	1,259,425	209,522	-	-	(1,049,903)		
Public safety	4,478,989	1,881,588	$ 22,031	-	(2,575,370)		
Sanitation	714,251	567,207	-	-	(147,044)		
Public works/Roads	2,368,910	12,817	-	$ 114,072	(2,242,021)		
Health and welfare	325,610	-	99,577	-	(226,033)		
Libraries and recreation	193,778	-	-	-	(193,778)		
Conservation	174,548	-	-	-	(174,548)		
Community services	695,965	37,047	109,678	-	(549,240)		
Economic development	394,706	-	-	-	(394,706)		
Interest	38,929	-	-	-	(38,929)		
Total Governmental Activities - Primary Government	$ 12,231,827	$ 2,737,736	$ 231,286	$ 114,072	(9,148,733)		
Component Units:							
Tattnall County Board of Health	$ 715,905	$ 243,934	$ 504,133	$ -		$ 32,162	-
Tattnall County Development Authority	12,190	-	-	-		-	$ (12,190)
Total Component Units	$ 728,095	$ 243,934	$ 504,133	$ -		$ 32,162	$ (12,190)
		General Revenues					
		Property taxes levied for general purposes			5,840,641	-	46
		Sales taxes			3,196,389	-	-
		Insurance premium tax			686,474	-	-
		Other taxes			153,589	-	-
		Gain on sale of capital assets			42,418	-	-
		Interest earned			28,069	-	1
		Miscellaneous			48,703	-	-
					9,996,283	-	47
		Change in Net Assets			847,550	32,162	(12,143)
		Net Assets, October 1, 2010			15,346,485	725,653	12,143
		Net Assets, September 30, 2011			$ 16,194,035	$ 757,815	$ -

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	General	Solid Waste Fund	2009 Special Sales Tax Fund	2004 Special Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 576,989	$ 40,075	$ 454,759	$ 13,346	$ 418,277	$ 1,503,446
Receivables:						
Accounts	-	308,068	-	-	-	308,068
Taxes	622,706	-	-	-	-	622,706
Intergovernmental	151,652	-	239,335		29,403	420,390
Interest	-	-	-		690	690
Other	-	-	-		68,211	68,211
Due from other funds	932,979	-	-	-	2,676	935,655
Prepaid items	139,818	-	-	-	10,576	150,394
TOTAL ASSETS	$2,424,144	$ 348,143	$ 694,094	$ 13,346	$ 529,833	$ 4,009,560
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 58,950	$ 9,526	$ 281,568	-	-	$ 350,044
Intergovernmental payable	-	-	47,880	-	-	47,880
Due to other funds	355	313,050	442,389	-	$ 179,861	935,655
Notes payable	-	-	1,200,200	-	-	1,200,200
Deferred revenue	564,002	-	-	-	-	564,002
TOTAL LIABILITIES	623,307	322,576	1,972,037	-	179,861	3,097,781
FUND BALANCES						
Nonspendable	139,818	-	-	-	10,576	150,394
Restricted	-	25,567	-	$ 13,346	351,618	390,531
Assigned	100,000	-	-	-	-	100,000
Unassigned	1,561,019	-	(1,277,943)	-	(12,222)	270,854
TOTAL FUND BALANCES	1,800,837	25,567	(1,277,943)	13,346	349,972	911,779
TOTAL LIABILITIES AND FUND BALANCES	$2,424,144	$ 348,143	$ 694,094	$ 13,346	$ 529,833	$ 4,009,560

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

Total Governmental Fund Balances			$ 911,799
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:			
Cost	$ 24,023,420		
Less accumulated depreciation	(7,950,947)		16,072,473
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:			
Property taxes			564,002
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets:			
Interfund receivables	$ 935,655		
Interfund payables	(935,655)		-
A asset is reported on the government-wide statement of net assets for the County's cumulative overfunding of its annual required contribution to its pension plan.			128,262
Liabilities, including capital leases, compensated absences and accrued landfill postclosure care costs are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net assets:			
Capital leases payable	$ (998,290)		
Landfill postclosure care costs	(182,000)		
Compensated absences	(302,191)		(1,482,481)
Net Assets Of Governmental Activities			$ 16,194,055

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	General	Solid Waste Fund	2009 Special Sales Tax Fund	2004 Special Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 7,724,387	$ 136,474	$ 1,943,252	-	-	$ 9,804,113
Licenses and permits	27,670	-	-	-	-	27,670
Charges for services	923,269	567,207	12,817	-	$ 336,582	1,839,875
Fees, fines and forfeitures	716,835	-	-	-	103,425	820,260
Intergovernmental	116,349	-	68,335	$ 45,737	114,937	345,358
Interest	4,155	14,185	4,242	1,220	4,267	28,069
Other	87,271	-	-	-	11,363	98,634
Total revenues	9,599,936	717,866	2,028,646	46,957	570,574	12,963,979
EXPENDITURES						
Current:						
General government	1,491,469	-	-	-	-	1,491,469
Judicial	1,189,493	-	-	-	8,412	1,197,905
Public safety	3,730,890	-	-	-	505,503	4,236,393
Sanitation	-	726,084	-	-	-	726,084
Public works/Roads	1,751,574	-	-	-	-	1,751,574
Health and welfare	276,698	-	-	-	-	276,698
Libraries and recreation	99,313	-	-	-	-	99,313
Conservation	171,902	-	-	-	-	171,902
Economic development	380,530	-	-	-	-	380,530
Community services	-	-	-	-	238,892	238,892
Capital outlay	-	-	3,024,997	185,197	44,476	3,254,670
Debt service:						
Principal	69,328	-	161,404	-	-	230,732
Interest	4,567	-	34,362	-	-	38,929
Intergovernmental	-	-	465,366	-	-	465,366
Total expenditures	9,165,764	726,084	3,686,129	185,197	797,283	14,560,457
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	434,172	(8,218)	(1,657,483)	(138,240)	(226,709)	(1,596,478)
OTHER FINANCING SOURCES (USES)						
Sale of assets	7,842	-	2,000	-	-	9,842
Proceeds from capital leases	-	-	296,840	-	-	296,840
Transfers in	-	-	-	-	242,018	242,018
Transfers out	(242,018)	-	-	-	-	(242,018)
Total other financing sources (uses)	(234,176)	-	298,840	-	242,018	306,682
NET CHANGE IN FUND BALANCES	199,996	(8,218)	(1,358,643)	(138,240)	15,309	(1,289,796)
FUND BALANCES, OCTOBER 1, 2010	1,600,841	33,785	80,700	151,586	334,663	2,201,575
FUND BALANCES, SEPTEMBER 30, 2011	$ 1,800,837	$ 25,567	$ (1,277,943)	$ 13,346	$ 349,972	$ 911,779

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Net Changes In Fund Balances - Total Governmental Funds			$ (1,289,796)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.			
	Depreciation expense	$ (1,086,758)	
	Capital outlay	3,042,210	1,955,452
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			
	Property taxes:		
	Deferred @ 9/30/11	564,002	
	Deferred @ 9/30/10	(491,022)	72,980
Elimination of transfers between governmental funds:			
	Transfers in	242,018	
	Transfers out	(242,018)	-
Governmental funds do not report capital asset under capital lease that was returned in lieu of last lease payment, but gain is reported on the statement of activities.			32,576
The inception of capital leases is reported as an other financing source on the fund level financial statement and as a liability on the statement of net assets			(296,840)
A decrease in expense for the pension plan is recognized in the government-wide statement of activities for the increase in the net pension asset.			128,262
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			230,732
Some expenses reported in the statement of activities, such as compensated absences and landfill post-closure care costs, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			14,184
Change In Net Assets of Governmental Activities			$ 847,550

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 5,937,764	$ 5,937,764	$ 5,767,661	$ (170,103)
Local option sales tax	1,100,000	1,100,000	1,253,137	153,137
Alcoholic beverage	45,000	45,000	45,908	908
Insurance premium	600,000	600,000	550,000	(50,000)
Other	117,500	117,500	107,681	(9,819)
Licenses and permits	21,200	21,200	27,670	6,470
Charges for services	701,850	701,850	923,269	221,419
Fees, fines and forfeitures	670,200	670,200	716,835	46,635
Intergovernmental	97,800	97,800	116,349	18,549
Interest	10,000	10,000	4,155	(5,845)
Other	73,066	73,066	87,271	14,205
Total revenues	9,374,380	9,374,380	9,599,936	225,556
EXPENDITURES				
Current:				
General government:				
General administration	991,250	632,844	532,069	100,775
Public buildings	263,908	277,372	269,011	8,361
Tax commissioner	277,006	291,632	277,189	14,443
Elections	185,323	189,429	119,912	69,517
Tax assessor	278,940	290,380	252,854	37,526
Code enforcement	42,252	44,087	38,303	5,784
Tax equalizers	5,400	5,400	2,131	3,269
Total general government	2,044,079	1,731,144	1,491,469	239,675
Judicial:				
State and Superior Court	487,210	494,355	449,255	45,100
State Court Solicitor	43,725	45,556	44,752	804
Clerk of Superior Court	354,133	374,116	350,931	23,185
Probate Court	170,900	180,372	169,590	10,782
Magistrate Court	187,900	198,096	174,965	23,131
Total judicial	1,243,868	1,292,495	1,189,493	103,002
Public safety:				
Sheriff	1,250,974	1,305,195	1,261,127	44,068
Public safety director	149,767	147,050	138,448	8,602
Jail	900,385	929,794	873,712	56,082
Emergency management/civil defense	112,965	124,227	121,819	2,408
Ambulance service	1,103,017	1,103,833	1,099,085	4,748
Coroner	31,750	32,126	26,946	5,180
Animal control	73,600	81,376	80,035	1,341
Probation	69,292	73,280	70,544	2,736
Fire	40,000	40,000	40,000	-
Drug condemnations	5,000	5,000	19,174	(14,174)
Total public safety	$ 3,736,750	$ 3,841,881	$ 3,730,890	$ 110,991

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Public works/Roads:				
Roads	$ 1,482,623	$ 1,582,209	$ 1,548,049	$ 34,160
County road shop	216,545	207,199	203,525	3,674
Total public works/Roads	1,699,168	1,789,408	1,751,574	37,834
Health and welfare:				
Senior center	9,200	9,200	8,228	972
School resource officer	50,610	53,503	51,514	1,989
P.E.A.C.E. grant	66,000	67,969	71,341	(3,372)
Health department/other	166,238	151,329	145,615	5,714
Total health and welfare	292,048	282,001	276,698	5,303
Libraries and recreation:				
Recreation	59,500	59,500	59,500	-
Libraries	35,750	40,075	39,813	262
Total libraries and recreation	95,250	99,575	99,313	262
Conservation:				
Extension service	175,900	182,164	157,642	24,522
Forestry commission	18,792	18,792	14,260	4,532
Total conservation	194,692	200,956	171,902	29,054
Economic development	138,134	138,134	380,530	(242,396)
Debt service:				
Principal	-	69,328	69,328	-
Interest	-	4,567	4,567	-
Total debt service	-	73,895	73,895	-
Total expenditures	9,443,989	9,449,489	9,165,764	283,725
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(69,609)	(75,109)	434,172	509,281
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	19,609	19,609	7,842	(11,767)
Transfers out	(100,000)	(94,500)	(242,018)	(147,518)
Total other financing sources (uses)	(80,391)	(74,891)	(234,176)	(159,285)
NET CHANGE IN FUND BALANCE	$ (150,000)	$ (150,000)	199,996	$ 349,996
FUND BALANCE, BEGINNING OF YEAR			1,600,841	
FUND BALANCE, END OF YEAR			$ 1,800,837	

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA
SOLID WASTE FUND - MAJOR SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Insurance premium tax	$ 105,000	$ 136,474	$ 31,474
Charges for services	675,000	567,207	(107,793)
Interest	7,000	14,185	7,185
Total revenues	787,000	717,866	(69,134)
EXPENDITURES			
Current:			
Sanitation	787,000	726,084	60,916
Total expenditures	787,000	726,084	60,916
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(8,218)	(8,218)
FUND BALANCE, BEGINNING OF YEAR	33,785	33,785	-
FUND BALANCE, END OF YEAR	$ 33,785	$ 25,567	$ (8,218)

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA
COMPARATIVE STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2011 AND 2010

	2011	2010
ASSETS		
Cash	$ 365,118	$ 380,718
Other receivables	808	424
TOTAL ASSETS	$ 365,926	$ 381,142
LIABILITIES		
Due to other entities and individuals	365,926	381,142
TOTAL LIABILITIES	$ 365,926	$ 381,142

See accompanying notes to the basic financial statements.

Tattnall County, Georgia (the "County") operates under a Commissioner – County Manager form of Government. The County is governed by a board of six commissioners elected by the voters of the County.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County.

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

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

A brief description of the County's discretely presented component units follows:

Tattnall County Development Authority (the Authority) – The Authority was created to promote industry, trade, and economic growth in the County. There are no separate financial statements for the Tattnall County Development Authority.

Tattnall County Board of Health (Health Department) – The Health Department provides health care services and health education to residents of Tattnall County. The Health Department receives financial support from Tattnall County, Georgia, the State of Georgia and the Federal Government. The County Commission appoints a majority of the Board of Directors. The Health Department issued separately audited financial statements with a fiscal year ended June 30, 2011. Copies of these financial statements may be obtained from their administrative office at:

Tattnall County Board of Health
200B South Main Street
Reidsville, Georgia

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-B. Basis of Presentation

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

Government-wide Financial Statements – The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes, grants and the County's general revenues, from business-type activities, generally financed in whole or part with service charges to external customers. The County had no business-type activities at September 30, 2011.

The statement of net assets presents the financial position of the governmental and business-type activities of the County and its discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements – During the year, the county segregates transactions related to certain 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. Fund financial statements are provided for governmental and fiduciary funds.

Major individual governmental funds are reported in separate columns with composite columns for non-major funds. Fiduciary funds are reported by type.

Fund Accounting – The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County only uses the governmental category of funds.

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

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

2004 and 2009 Special Sales Tax Fund – These capital project funds account for the special purpose local option sales tax collected pursuant to a referendum for various capital improvements within the County.

Solid Waste Fund – This special revenue fund accounts for the revenues and expenditures related to providing sanitation services to the citizens of Tattnall County.

Fiduciary Funds – Fiduciary fund reporting focuses on net assets. The County's fiduciary funds are agency funds. These agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Constitutional officers use these funds to temporarily hold assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-C. Measurement Focus

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

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

1-D. Basis of Accounting

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

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenue – Non-exchange Transactions – Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

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

Deferred/Unearned Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

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

Deferred revenue is reported at the fund financial reporting level but reclassified as *"unearned revenue"* on the government-wide statement of net assets, where applicable.

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

1-E. Assets, Liabilities and Net Assets

Cash, Cash Equivalents, and Investments

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. The Solid Waste special revenue fund reported an allowance for uncollectibles of $385,000 at September 30, 2011.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due from/to other funds." These amounts are eliminated in the governmental and business-type activities columns on the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances on this statement. These amounts are ultimately eliminated from the total column on the statement of net assets.

Consumable Inventories

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

Prepaid Items

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The County reports general capital assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the County fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. For roads and bridges, the County has capitalized only infrastructure constructed after September 30, 2003. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land, right-of-ways 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	15-40 years
Improvements other than buildings	15-40 years
Machinery and equipment	5-15 years
Infrastructure	15-25 years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

Compensated Absences

Personal 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 that the employer will compensate the employees for the benefits through paid time off or some other means.

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

Accrued Liabilities and Long-term Obligations

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net assets, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

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

Fund Equity

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

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

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

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

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

Assigned– Fund balances are reported as assigned when amounts are constrained by the Board of Commissioners' intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County Manager to assign fund balances.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Assets – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net amount also is adjusted by any bond issuance deferral amounts. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as unrestricted.

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

Interfund Activity

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

Transfers between governmental funds on the government-wide statement of activities are eliminated.

Estimates

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Data

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County adopts an annual operating budget for the general fund, each special revenue fund, and capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

All budgets are adopted on a basis consistent with GAAP.

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

During the year, the Board of Commissioners approved budget revisions.

All unexpended annual appropriations lapse at year-end.

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations for the year ended September 30, 2011, in the following departments for the general fund:

	General Fund
Economic development	$ 242,396
Drug condemnations	14,174
P.E.A.C.E. grant	3,372

The overexpenditures in these areas were funded by underexpenditures in other departments.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Expenditures exceeded appropriations in the following special revenue funds and these overexpenditures were funded by additional revenues over amounts budgeted, additional transfers in, and/or available fund balance.

	Overexpenditures	
Tattnall Area Rural Transit	$	16,233
Juvenile probation fees fund		4,283

Deficit Fund Balances

The 2009 Special Sales Tax Fund had a deficit fund balance of $1,277,943 at September 30, 2011 which the County plans to eliminate with future special sales tax revenue.

The Jail Fund had a deficit fund balance of $1,646 at September 30, 2011 which the County plans to eliminate with future court designated fines.

NOTE 3 – DEPOSITS AND INVESTMENTS

At September 30, 2011, the carrying amount of the County's deposits and investments was $1,868,564 and the bank balance was $2,211,830. Of the bank balance, $1,678,468 was covered by federal depository insurance and $533,362 was collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

The County maintains investments in a local government investment pool through the State of Georgia Office of State Treasurer. The balance at September 30, 2011 was $38,512 for all funds.

"Georgia Fund 1," created by O.C.G.A 36-83-8, is a stable net asset value invested pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value.) Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share.

Discretely Presented Component Units
The Tattnall County Development Authority had no cash deposits at September 30, 2011.

At June 30, 2011, the bank deposits of the Tattnall County Board of Health totaling $745,534 were all insured or collateralized with securities held by the pledging financial institution's trust department or agent in the Tattnall County Board of Health's name.

NOTE 4 – PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about October 20th of each year and are payable within sixty days. The County bills and collects its own property taxes. Collection of taxes for the County and other government agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an Agency Fund. County property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended September 30, 2011, property taxes were levied on September 13, 2010, mailed on October 28, 2010, and were due December 20, 2010.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2011, is as follows:

Receivable Fund	Payable Fund	Amount
General	Jail Fund	$ 5,618
	Tattnall Area Rural Transit	42,760
	Solid Waste Fund	313,050
	Telephone E-911 Fund	131,387
	2009 Special Sales Tax	440,164
Juvenile Probation Fees Fund	General	355
Tattnall Area Rural Transit	2009 Special Sales Tax	2,225
Telephone E-911 Fund	Tattnall Area Rural Transit	96
Total		$ 935,655

Interfund balances at September 30, 2011 represent reimbursable expenses and temporary loans. The County expects to repay all interfund balances within one year.

Interfund transfers for the year ended September 30, 2011, consisted of the following:

Transfer To:	Transfers From: General Fund
Telephone E-911 Fund	149,860
Tattnall Area Rural Transit	92,158
Total	$ 242,018

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

The general fund transferred funds to the Telephone E-911 fund and Tattnall Area Rural Transit fund to help fund operating deficits for those funds.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011 was as follows:

	Balance 10/1/2010	Additions	Deductions	Balance 9/30/2011
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 556,098	-	-	$ 556,098
Construction in progress	1,335,111	$ 2,560,797	$ 11,603	3,884,305
Total capital assets not being depreciated	1,891,209	2,560,797	11,603	4,440,403
Capital assets being depreciated:				
Buildings & improvements	11,289,656	11,603	-	11,301,259
Machinery and equipment	5,638,644	447,601	248,438	5,837,807
Infrastructure	2,410,139	33,812	-	2,443,951
Total capital assets being depreciated	19,338,439	493,016	248,438	19,583,017
Total capital assets	21,229,648	3,053,813	260,041	24,023,420
Accumulated depreciation:				
Buildings & improvements	3,680,677	281,183	-	3,961,860
Machinery and equipment	2,949,908	707,901	171,421	3,486,388
Infrastructure	405,025	97,674	-	502,699
Total accumulated depreciation	7,035,610	1,086,758	171,421	7,950,947
Governmental activities capital assets, net	$ 14,194,038	$ 1,967,055	$ 88,620	$ 16,072,473

NOTE 6 – CAPITAL ASSETS (Continued)

Governmental activities depreciation expense:

General government	$ 110,524
Judicial	76,967
Public safety	364,627
Sanitation	3,771
Roads	443,105
Health and welfare	51,158
Libraries and recreation	16,904
Economic development	14,176
Community services	700
Conservation	4,826
Total governmental activities depreciation expense	$ 1,086,758

	Balance 10/1/2010	Additions	Deductions	Balance 9/30/2011
Component unit - Tattnall County Board of Health:				
Capital assets being depreciated:				
Machinery and equipment	$ 155,276	15,250	-	$ 170,526
Accumulated depreciation:				
Machinery and equipment	143,339	$ 6,612	-	149,951
Component units capital assets, net	$ 11,937	$ 8,638	-	$ 20,575

NOTE 7 – ACCRUED LANDFILL POSTCLOSURE CARE COSTS

State and federal laws and regulations required the County to place a final cover on its closed landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County reports a liability for these postclosure care costs in its government-wide statement of net assets. The accrued landfill postclosure care costs at September 30, 2011 are based on what it would cost to perform all postclosure care in 2011. Actual costs may be higher due to inflation, unexpected mitigation requirements, changes in technology, or changes in regulations.

NOTE 8 – NOTES PAYABLE

The County uses short-term lines of credit with local banks to provide short-term cash flow to carry on County operations until tax revenues are received in December. Repayment of the notes comes from tax payments received in the fiscal year. The County also used a short-term line of credit for jail expansion costs to be paid by special sales tax proceeds.

NOTE 8 – NOTES PAYABLE (Continued)

The note payable outstanding at September 30, 2011, consisted of the following:

$800,000 Line of credit with The Glennville Bank and Trust Company, payable on December 31, 2011, including interest at 3.23%	$ 400,200	Special Sales Tax Fund
$800,000 Line of credit with South Georgia Bank, payable on December 31, 2011, including interest at 2.70%	800,000	Special Sales Tax Fund
	$ 1,200,200	

Short term debt activity for the year ended September 30, 2011, was as follows:

	Balance 10/01/10	Increases	Decreases	Balance 9/30/11
The Glennville Bank and Trust Company loan	$ 435,000	400,200	435,000	$ 400,200
South Georgia Bank loan	-	800,000	-	800,000
	$ 435,000	1,200,200	435,000	$ 1,200,200

NOTE 9 – CAPITAL LEASES

The County has entered into lease agreements as lessee for financing the acquisition of various equipment costing $1,268,522. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following is a schedule of future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at September 30, 2011:

Year ending September 30	
2012	$ 179,905
2013	124,369
2014	318,835
2015	283,328
2016	202,919
Total minimum lease payments	1,109,356
Less amount representing interest	111,066
Present value of future minimum lease payments	$ 998,290

NOTE 10 – CHANGES IN LONG-TERM DEBT

	Balance October 1, 2010	Additions	Reductions	Balance September 30, 2011	Amounts Due In One Year
Compensated absences payable	$ 302,375	-	$ 184	$ 302,191	$ 60,438
Accrued landfill postclosure care costs	196,000	-	14,000	182,000	14,000
Capital leases payable	1,041,775	$ 296,840	340,325	998,290	147,207
	$ 1,540,150	$ 296,840	$ 354,509	$ 1,482,481	$ 221,645

The compensated absences liability will be paid primarily from the General Fund. The capital lease obligations will be paid from the Special Sales Tax Capital Projects Funds. The landfill postclosure care costs will be paid primarily from the Solid Waste Fund.

NOTE 11 – FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2011, governmental fund balances are composed of the following:

	General Fund	Solid Waste Fund	2009 Special Sales Tax Fund	2004 Special Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	$ 139,818	-	-	-	$ 10,576	$ 150,394
Restricted:						
Capital projects	-	-	-	$ 13,346	-	13,346
Sheriff	-	-	-	-	46,788	46,788
Law library	-	-	-	-	73,383	73,383
Drug education	-	-	-	-	20,197	20,197
Jail	-	-	-	-	206,503	206,503
Juvenile probation	-	-	-	-	4,747	4,747
Sanitation	-	$ 25,567	-	-	-	25,567
Total restricted	-	25,567	-	13,346	351,618	390,531
Assigned:						
Subsequent years' budget	100,000	-	-	-	-	100,000
Unassigned	1,561,019	-	$ (1,277,943)	-	(12,222)	270,854
Total fund balances	$ 1,800,837	$ 25,567	$ (1,277,943)	$ 13,346	$ 349,972	$ 911,779

NOTE 12 – EMPLOYEE RETIREMENT PLANS

Defined Benefit Pension Plan

A. Plan Description

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Benefit Plan (The Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The County's payroll for employees covered by the Plan as of January 1, 2011 (the most recent actuarial valuation date) was $2,669,042.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with three years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1 percent of average annual compensation up to $10,000 plus 1.50 percent of average annual compensation in excess of $10,000 plus $36 for each year of service payable as a life annuity. Service is limited to 35 years. Compensation is averaged over a five-year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the Tattnall County Board of Commissioners.

The ACCG Defined Benefit Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

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

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.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 60 percent equities and 40 percent fixed income securities.

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

C. Contributions

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 requirement.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

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.

D. Annual Pension Cost

For 2011, the County's annual pension cost was $358,064. The County's required contribution was $357,430 and the actual contribution was $369,325. The required contribution was determined as part of an actuarial valuation performed as of January 1, 2011 using the projected unit credit actuarial cost method. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.75 percent per year compounded annually, (b) projected salary increases of 4.5-7.0 percent per year, and (c) no post-retirement benefit increases. Both (a) and (b) included an inflation component of 3 percent. The asset valuation method used for Plan assets is based on market values. The Plan's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at September 30, 2011 was 10 years.

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

Annual required contribution	$ 357,430
Interest on net pension obligation	(9,068)
Amortization of net pension obligation	9,702
Annual pension cost	358,064
Contributions made	(369,325)
Decrease in net pension obligation	(11,261)
Net pension obligation (asset), beginning of year	(117,001)
Net pension obligation (asset), end of year	$ (128,262)

F. Three-Year Trend Information

Year Ended 9/30	Annual Pension Cost	Actual County Contribution	Percentage Contributed	Net Pension Obligation (Asset)
2009	$ 310,574	$ 322,156	103.7%	$ (100,527)
2010	329,402	345,876	105.0%	(117,001)
2011	358,064	369,325	103.1%	(128,262)

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

G. Analysis of Funding Progress

Fiscal Year Ending (09/30)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2009	2,901,226	4,082,645	71.1%	1,181,419	2,382,294	49.6%
2010	3,242,633	4,445,729	72.9%	1,203,096	2,350,818	51.2%
2011	3,606,414	4,796,274	75.2%	1,189,860	2,669,042	44.6%

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

Probate Judges' Retirement Fund of Georgia

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

Clerk of Superior Court Retirement Fund

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

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

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

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

Tattnall County Board of Health (component unit)

The employees of the Tattnall County Board of Health participate in the Georgia State Employees Retirement System. 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 retirement contributions for the year ended June 30, 2011 were $36,949. Contributions are fully vested to employees after 10 years of continuous service.

NOTE 13 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other counties in the state as part of the Association of County Commissioners of Georgia (ACCG) Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management insurance program 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 judgement, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

NOTE 14 – CONTINGENCIES

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County attorney, the resolution of these matters probably will not have a material adverse effect on the financial condition of the County.

NOTE 15 – JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the seventeen county East Middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission (RC) and is required to pay annual dues thereto. During its year ended September 30, 2011, the County paid $16,820 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33 which provides for the organizational structure of the RC in Georgia. The RC Regional Council membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Heart of Georgia Altamaha Regional Commission
5405 Oak Street
Eastman, Georgia 31023

TATTNALL COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS

ASSETS

	SEPTEMBER 30, 2011	SEPTEMBER 30, 2010
ASSETS		
Cash	$ 576,989	$ 913,146
Receivables:		
Taxes	622,706	577,226
Intergovernmental	151,652	118,109
Other	-	33,391
Due from other funds	932,979	448,326
Prepaid items	139,818	151,198
TOTAL ASSETS	$ 2,424,144	$ 2,241,396

LIABILITIES AND FUND BALANCE

LIABILITIES		
Accounts payable	$ 58,950	$ 138,168
Deferred revenue	564,002	491,022
Due to other funds	355	355
Due to component unit	-	11,010
Total liabilities	623,307	640,555
FUND BALANCE		
Nonspendable	139,818	151,198
Unassigned	1,661,019	1,449,643
Total fund balance	1,800,837	1,600,841
TOTAL LIABILITIES AND FUND BALANCE	$ 2,424,144	$ 2,241,396

TATTNALL COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

	YEAR ENDED	
	SEPTEMBER 30, 2011	SEPTEMBER 30, 2010
REVENUES		
Taxes	$ 7,724,387	$ 7,379,223
Licenses and permits	27,670	26,870
Charges for services	923,269	645,677
Fees, fines and forfeitures	716,835	717,851
Intergovernmental	116,349	166,195
Interest	4,155	14,720
Other	87,271	71,708
Total revenues	9,599,936	9,022,244
EXPENDITURES		
Current:		
General government	1,491,469	1,566,157
Public safety	3,730,890	3,754,372
Judicial	1,189,493	1,181,411
Public works/Roads	1,751,574	1,659,583
Health and welfare	276,698	274,904
Libraries and recreation	99,313	96,458
Conservation	171,902	178,427
Economic development	380,530	-
Debt service		
Principal	69,328	65,996
Interest	4,567	3,955
Total expenditures	9,165,764	8,781,263
EXCESS OF REVENUES OVER EXPENDITURES	434,172	240,981
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	7,842	9,787
Proceeds from capital leases	-	46,272
Transfers out	(242,018)	(276,390)
Total other financing sources (uses)	(234,176)	(220,331)
NET CHANGE IN FUND BALANCE	199,996	20,650
FUND BALANCE, BEGINNING OF YEAR	1,600,841	1,580,191
FUND BALANCE, END OF YEAR	$ 1,800,837	$ 1,600,841

TATTNALL COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2011

	Telephone E-911 Fund	Jail Fund	Law Library	Tattnall Area Rural Transit
ASSETS				
Cash	$ 56,549	$ 3,972	$ 73,383	$ 7,267
Receivables:				
Intergovernmental	-	-	-	29,319
Interest	-	-	-	-
Other	66,984	-	-	1,227
Due from other funds	96	-	-	2,225
Prepaid items	7,758	-	-	2,818
TOTAL ASSETS	$ 131,387	$ 3,972	$ 73,383	$ 42,856
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	-	-	-	-
Due to other funds	$ 131,387	$ 5,618	-	$ 42,856
Total liabilities	131,387	5,618	-	42,856
Fund balance :				
Nonspendable	7,758	-	-	2,818
Restricted	-	-	$ 73,383	-
Unassigned	(7,758)	(1,646)	-	(2,818)
Total fund balance	-	(1,646)	73,383	-
TOTAL LIABILITIES AND FUND BALANCE	$ 131,387	$ 3,972	$ 73,383	$ 42,856

(Continued) - 1.

TATTNALL COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2011

	Jail Phone Fund	Sheriff's Seized Funds	Drug Abuse Treatment and Education Fund	Juvenile Probation Fees Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash	$ 205,813	$ 46,788	$ 20,197	$ 4,308	$ 418,277
Receivables:					
Intergovernmental		-	-	84	29,403
Interest	690	-	-	-	690
Other	-	-	-	-	68,211
Due from other funds	-	-	-	355	2,676
Prepaid items	-	-	-	-	10,576
TOTAL ASSETS	$ 206,503	$ 46,788	$ 20,197	$ 4,747	$ 529,833
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	-	-	-	-
Due to other funds	-	-	-	-	$ 179,861
Total liabilities	-	-	-	-	179,861
Fund balance:					
Nonspendable	-	-	-	-	10,576
Restricted	$ 206,503	$ 46,788	$ 20,197	$ 4,747	351,618
Unassigned	-	-	-	-	(12,222)
Total fund balance	206,503	46,788	20,197	4,747	349,972
TOTAL LIABILITIES AND FUND BALANCE	$ 206,503	$ 46,788	$ 20,197	$ 4,747	$ 529,833

(Concluded) - 2.

TATTNALL COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Telephone E-911 Fund	Jail Fund	Law Library	Tattnall Area Rural Transit
REVENUES				
Intergovernmental	-	-	-	$ 109,678
Charges for services	$ 299,535	-	-	37,047
Fees, fines and forfeitures	-	$ 43,396	$ 11,560	-
Interest	102	7	791	9
Other	2,239	600	-	-
Total revenues	301,876	44,003	12,351	146,734
EXPENDITURES				
Current:				
Public safety	448,660	5,783	-	-
Judicial	-	-	8,412	-
Community services	-	-	-	238,892
Capital outlay:				
Public safety	3,076	41,400	-	-
Total expenditures	451,736	47,183	8,412	238,892
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(149,860)	(3,180)	3,939	(92,158)
OTHER FINANCING SOURCES				
Transfers in	149,860	-	-	92,158
NET CHANGE IN FUND BALANCE	-	(3,180)	3,939	-
FUND BALANCE, BEGINNING OF YEAR	-	1,534	69,444	-
FUND BALANCE, END OF YEAR	$ -	$ (1,646)	$ 73,383	$ -

(Continued) - 1.

TATTNALL COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Jail Phone Fund	Sheriff's Seized Funds	Drug Abuse Treatment and Education Fund	Juvenile Probation Fees Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Intergovernmental	-	-	-	$ 5,259	$ 114,937
Charges for services	-	-	-	-	336,582
Fees, fines and forfeitures	-	$ 27,827	$ 18,958	1,684	103,425
Interest	$ 3,214	94	50	-	4,267
Other	8,524	-	-	-	11,363
Total revenues	11,738	27,921	19,008	6,943	570,574
EXPENDITURES					
Current:					
Public safety	-	23,163	18,614	9,283	505,503
Judicial	-	-	-	-	8,412
Community services	-	-	-	-	238,892
Capital outlay:					
Public safety	-	-	-	-	44,476
Total expenditures	-	23,163	18,614	9,283	797,283
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,738	4,758	394	(2,340)	(226,709)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	242,018
NET CHANGE IN FUND BALANCE	11,738	4,758	394	(2,340)	15,309
FUND BALANCE, BEGINNING OF YEAR	194,765	42,030	19,803	7,087	334,663
FUND BALANCE, END OF YEAR	$ 206,503	$ 46,788	$ 20,197	$ 4,747	$ 349,972

(Concluded) - 2.

TATTNALL COUNTY, GEORGIA
TELEPHONE E-911 FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)	2010 Actual
REVENUES				
Charges for services	$ 317,125	$ 299,535	$ (17,590)	$ 316,479
Interest	100	102	2	72
Miscellaneous	-	2,239	2,239	-
Total revenues	317,225	301,876	(15,349)	316,551
EXPENDITURES				
Current:				
Public safety	492,996	448,660	44,336	478,275
Capital outlay:				
Public safety	3,500	3,076	424	15,188
Total expenditures	496,496	451,736	44,760	493,463
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(179,271)	(149,860)	29,411	(176,912)
OTHER FINANCING SOURCES				
Transfers in	119,271	149,860	30,589	176,912
NET CHANGE IN FUND BALANCE	(60,000)	-	60,000	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ (60,000)	-	$ 60,000	-

TATTNALL COUNTY, GEORGIA
JAIL FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)	2010 Actual
REVENUES				
Fees, fines and forfeitures	$ 50,000	$ 43,396	$ (6,604)	$ 43,461
Interest	-	7	7	307
Other	-	600	600	3,450
Total revenues	50,000	44,003	(5,997)	47,218
EXPENDITURES				
Current outlay:				
Public safety	3,200	5,783	(2,583)	13,703
Capital outlay:				
Public safety	46,800	41,400	5,400	143,609
Total expenditures	50,000	47,183	2,817	157,312
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,180)	(3,180)	(110,094)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	5,500
NET CHANGE IN FUND BALANCE	-	(3,180)	(3,180)	(104,594)
FUND BALANCE, BEGINNING OF YEAR	1,534	1,534	-	106,128
FUND BALANCE, END OF YEAR	$ 1,534	$ (1,646)	$ (3,180)	$ 1,534

TATTNALL COUNTY, GEORGIA
LAW LIBRARY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)	2010 Actual
REVENUES				
Fees, fines and forfeitures	$ 9,500	$ 11,560	$ 2,060	$ 13,540
Interest	750	791	41	130
Total revenues	10,250	12,351	2,101	13,670
EXPENDITURES				
Current:				
Judicial	17,000	8,412	8,588	7,009
Capital outlay:				
Judicial	4,500	-	4,500	-
Total expenditures	21,500	8,412	13,088	7,009
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,250)	3,939	15,189	6,661
FUND BALANCE, BEGINNING OF YEAR	69,444	69,444	-	62,783
FUND BALANCE, END OF YEAR	$ 58,194	$ 73,383	$ 15,189	$ 69,444

TATTNALL COUNTY, GEORGIA
TATTNALL AREA RURAL TRANSIT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)	2010 Actual
REVENUES				
Intergovernmental	$ 90,000	$ 109,678	$ 19,678	$ 91,575
Charges for services	60,000	37,047	(22,953)	52,522
Interest	-	9	9	13
Total revenues	150,000	146,734	(3,266)	144,110
EXPENDITURES				
Current:				
Community services	222,659	238,892	(16,233)	243,173
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(72,659)	(92,158)	(19,499)	(99,063)
OTHER FINANCING SOURCES				
Transfers in	10,122	92,158	82,036	99,063
NET CHANGE IN FUND BALANCE	(62,537)	-	62,537	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ (62,537)	-	$ 62,537	-

TATTNALL COUNTY, GEORGIA
JAIL PHONE FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)	2010 Actual
REVENUES				
Telephone commissions	$ 8,340	$ 8,524	$ 184	$ 7,759
Interest	-	3,214	3,214	5,227
Total revenues	8,340	11,738	3,398	12,986
EXPENDITURES				
Current:				
Public safety	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	8,340	11,738	3,398	12,986
FUND BALANCE, BEGINNING OF YEAR	194,765	194,765	-	181,779
FUND BALANCE, END OF YEAR	$ 203,105	$ 206,503	$ 3,398	$ 194,765

TATTNALL COUNTY, GEORGIA
SHERIFF'S SEIZED FUNDS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)	2010 Actual
REVENUES				
Fees, fines and forfeitures	$ 8,000	$ 27,827	$ 19,827	$ 28,981
Interest	-	94	94	175
Total revenues	8,000	27,921	19,921	29,156
EXPENDITURES				
Current:				
Public safety	24,000	23,163	837	19,063
Capital outlay:				
Public safety	-	-	-	2,580
Total expenditures	24,000	23,163	837	21,643
EXCESS OF REVENUES OVER EXPENDITURES	(16,000)	4,758	20,758	7,513
FUND BALANCE, BEGINNING OF YEAR	42,030	42,030	-	34,517
FUND BALANCE, END OF YEAR	$ 26,030	$ 46,788	$ 20,758	$ 42,030

TATTNALL COUNTY, GEORGIA
DRUG ABUSE TREATMENT AND EDUCATION FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)	2010 Actual
REVENUES				
Fees, fines and forfeitures	$ 25,000	$ 18,958	$ (6,042)	$ 20,816
Interest	-	50	50	55
Total revenues	25,000	19,008	(5,992)	20,871
EXPENDITURES				
Current:				
Public safety	25,000	18,614	6,386	17,635
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	394	394	3,236
FUND BALANCE, BEGINNING OF YEAR	19,803	19,803	-	16,567
FUND BALANCE, END OF YEAR	$ 19,803	$ 20,197	$ 394	$ 19,803

TATTNALL COUNTY, GEORGIA
JUVENILE PROBATION FEES FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)	2010 Actual
REVENUES				
Fees, fines and forfeitures	$ 5,000	$ 1,684	$ (3,316)	$ 1,000
Intergovernmental	-	5,259	5,259	4,929
Total revenues	5,000	6,943	1,943	5,929
EXPENDITURES				
Current:				
Public safety	5,000	9,283	(4,283)	9,461
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,340)	(2,340)	(3,532)
FUND BALANCE, BEGINNING OF YEAR	7,087	7,087	-	10,619
FUND BALANCE, END OF YEAR	$ 7,087	$ 4,747	$ (2,340)	$ 7,087

TATTNALL COUNTY, GEORGIA
COMBINING STATEMENT OF FUDICIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2011

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Probation Office	Totals
ASSETS							
Cash	$ 156,930	$ 29,612	$ 43,333	$ 47,542	$ 70,222	$ 17,479	$ 365,118
Due from others	808	-	-	-	-	-	808
TOTAL ASSETS	$ 157,738	$ 29,612	$ 43,333	$ 47,542	$ 70,222	$ 17,479	$ 365,926
LIABILITIES							
Due to other entities and individuals	$ 157,738	$ 29,612	$ 43,333	$ 47,542	$ 70,222	$ 17,479	$ 365,926
TOTAL LIABILITIES	$ 157,738	$ 29,612	$ 43,333	$ 47,542	$ 70,222	$ 17,479	$ 365,926

TATTNALL COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Balance September 30, 2010	Additions	Deductions	Balance September 30, 2011
Tax Commissioner				
Assets				
Cash	$ 135,878	$ 12,274,825	$ 12,253,773	$ 156,930
Due from others	424	384	-	808
	136,302	12,275,209	12,253,773	157,738
Liabilities				
Due to other entities and individuals	$ 135,878	$ 12,274,825	$ 12,253,773	$ 156,930
Probate Court				
Assets				
Cash	$ 12,403	$ 78,203	$ 60,994	$ 29,612
Liabilities				
Due to other entities and individuals	$ 12,403	$ 78,203	$ 60,994	$ 29,612
Clerk of Courts				
Assets				
Cash	$ 112,936	$ 897,606	$ 967,209	$ 43,333
Liabilities				
Due to other entities and individuals	$ 112,936	$ 897,606	$ 967,209	$ 43,333
Magistrate Court				
Assets				
Cash	$ 5,457	$ 239,236	$ 197,151	$ 47,542
Liabilities				
Due to other entities and individuals	$ 5,457	$ 239,236	$ 197,151	$ 47,542
Sheriff				
Assets				
Cash	$ 96,946	$ 353,809	$ 380,533	$ 70,222
Liabilities				
Due to other entities and individuals	$ 96,946	$ 353,809	$ 380,533	$ 70,222
Probation Office				
Assets				
Cash	$ 17,098	$ 222,971	$ 222,590	$ 17,479
Liabilities				
Due to other entities and individuals	$ 17,098	$ 222,971	$ 222,590	$ 17,479
Total Agency Funds				
Assets				
Cash	$ 380,718	$ 14,066,650	$ 14,082,250	$ 365,118
Due from others	424	384	-	808
	$ 381,142	$ 14,067,034	$ 14,082,250	$ 365,926
Liabilities				
Due to other entities and individuals	$ 381,142	$ 14,067,034	$ 14,082,250	$ 365,926

TATTNALL COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

2004 Special Sales Tax

Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percentage of Completion
Roads and bridges	$ 2,250,000	$ 3,228,378	$ 3,274,115	$ (45,737)	$ 3,228,378	100%
County shop building	-	200,000	-	185,197	185,197	93%
Courthouse and other buildings	2,250,000	2,648,124	2,648,124	-	2,648,124	100%
Emergency services	1,125,000	1,275,516	1,275,516	-	1,275,516	100%
Recreation	300,000	321,907	321,907	-	321,907	100%
City of Cobbtown	63,000	67,627	67,627	-	67,627	100%
City of Collins	110,250	118,346	118,346	-	118,346	100%
City of Glennville	945,000	1,013,595	1,013,595	-	1,013,595	100%
City of Manassas	15,750	16,906	16,906	-	16,906	100%
City of Reidsville	441,000	473,396	473,396	-	473,396	100%
	$ 7,500,000	$ 9,363,795	$ 9,209,532	$ 139,460	$ 9,348,992	99.8%

Reconciliation of current year expenditures to Statement of Revenues, Expenditures and Changes in Fund Balances:

Total 2004 Special Sales Tax fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances	$ 185,197
Less:	
Intergovernmental revenue	(45,737)
Total current year expenditures per above	$ 139,460

2009 Special Sales Tax

Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percentage of Completion
Roads and bridges	$ 3,150,000	$ 3,150,000	$ 589,043	$ 380,136	$ 969,179	31%
Jail and other buildings	3,360,000	3,360,000	719,822	1,298,346	2,018,168	60%
Emergency services	1,050,000	1,050,000	100,439	319,528	419,967	40%
Recreation	420,000	420,000	105,882	77,561	183,443	44%
City of Cobbtown	100,800	100,800	25,411	18,615	44,026	44%
City of Collins	176,400	176,400	44,470	32,576	77,046	44%
City of Glennville	1,512,000	1,512,000	381,176	279,219	660,395	44%
City of Manassas	25,200	25,200	6,353	4,654	11,007	44%
City of Reidsville	705,600	705,600	177,882	130,302	308,184	44%
	$10,500,000	$10,500,000	$ 2,150,478	$ 2,540,937	$ 4,691,415	45%

Reconciliation of current year expenditures to Statement of Revenues, Expenditures and Changes in Fund Balances:

Total 2009 Special Sales Tax fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances	$ 3,686,129
Less:	
Sale of assets	(2,000)
Proceeds from capital leases	(296,840)
Proceeds from note payable	(765,200)
Intergovernmental revenue	(68,335)
Charges for services	(12,817)
Total current year expenditures per above	$ 2,540,937

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

To the Board of Commissioners
Tattnall County, Georgia

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 Tattnall County, Georgia, as of and for the year ended September 30, 2011, which collectively comprise Tattnall County's basic financial statements and have issued our report thereon dated July 2, 2012. We did not audit the financial statements of the Tattnall County Board of Health, a component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tattnall County Board of Health, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described below, we identified certain

deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiencies described below as items 1 through 5 to be material weaknesses.

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. We consider the deficiencies described below as items 6 and 7 to be significant deficiencies.

1. **Financial reporting process is inadequate for recording the activity in the County's agency funds and certain special revenue funds**
   The County has several agency funds and special revenue funds for which a trial balance summarizing the annual activity and year end balances is not maintained. Accurate trial balances are needed on these funds in order for them to be properly included in the County's financial statements. Also, the amounts due from agency funds need to be recorded properly in the general ledger of the general fund and other appropriate funds at year end.

   County response: We concur with this finding, and we will consult with our auditors on developing the appropriate procedures to prepare accurate trial balances at year end for our agency funds and special revenue funds not maintained on our computerized accounting system.

2. **Recording of year end accruals for the financial statements**
   The County's procedures to make sure all year end accruals such as receivables, accounts payable, prepaid items, accrued payroll and deferred revenue are included in the financial statements are inadequate. Many of the adjusting journal entries needed to record these accruals were material to the County's financial statements.

   County response: We concur with this finding, and we will implement procedures to make sure all applicable accruals are included in the year end financial statements.

3. **Recording of activity of cash accounts maintained by other departments**
   The County has some cash accounts that are reported in the general fund which are maintained by other departments. The activity for these accounts is not being properly recorded in the general fund. We recommend that the activity for the Sheriff's bond fee account, DARE account, jail petty cash account, and the Georgia Power REP funds account be submitted to the County's accounting department on a monthly basis to be recorded in the general fund on a timely basis.

County response: We concur with this finding, and we will request that the activity for these cash accounts be submitted to the County's accounting department on a monthly basis to be recorded in the general fund.

4. **Accounting for capital leases**
During our audit we noted new capital leases for $296,840 for road equipment that was not recorded in the County's financial statements. Also, the budget was not amended to reflect the new capital leases entered into during the year. At the inception of capital leases at the governmental fund reporting level, expenditures and an other financing source called "proceeds from capital leases" of an equal amount should be recorded at the net present value of the future minimum lease payments.

County response: We concur with this finding, and we will implement procedures to make sure that as new capital leases are entered into, a copy of the lease agreement is forwarded to the County Clerk who will be responsible for recording the capital lease in the County's accounting records.

5. **Accounting for capital assets**
We noted that the County does not have a process to accumulate information on additions and disposals to capital assets and has not designated a person to be responsible for maintaining capital assets records. The County should have procedures in place that require each department and/or accounts payable personnel to forward any information on capital purchases to a designated person responsible for maintaining capital assets records. Also, as capital assets are sold or disposed of, this information should be forwarded to the designated person responsible for maintaining capital assets records. The information accumulated on additions and disposals should be provided to the auditors after the County's fiscal year end.

County response: We concur with this finding, and we will implement procedures requiring each department to forward any information on capital purchases and disposals to the person responsible for maintaining the capital assets records.

6. **Allocation of retirement expense**
Retirement expense for the year ended September 30, 2011 was not allocated to each department for budgeted or actual expenditures.

County response: We concur with this finding, and we will properly budget and record retirement expense by department for fiscal year 2011.

7. **Posting of payroll tax expenditures**
In January, 2011 after federal employment tax law changes, the County's accounting software was not properly updated to post the employer portion of payroll taxes. Management and accounting department staff did not recognize the error and made incorrect entries to allocate payroll taxes to each department.

County response: We concur with this finding, and we will contact our software provider to correct the posting errors within our software. Also, we will implement procedures to review

the reasonableness of payroll taxes compared to salaries for each County department on a monthly basis.

Compliance and Other Matters

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

Tattnall County's response to the findings identified in our audit is described above. We did not audit Tattnall County'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, others within the entity, the State of Georgia, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Thigpen, Lanier, Westerfield & Deal

July 2, 2012