TATTNALL COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2012

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditor's Report	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	5
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet - Governmental Funds	7
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	10
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	11
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Solid Waste Fund	13
Comparative Statement of Fiduciary Assets and Liabilities - Agency Funds	14
Notes to the Financial Statements	15
Supplementary Information:	
Major Funds:	
General Fund:	
Comparative Balance Sheets	36
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	37
Non-Major Funds:	
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	38
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	40

Non-Major Funds (cont.):
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Telephone E-911 Fund 42
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Jail Fund 43
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Law Library 44
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Tattnall Area Rural Transit 45
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Jail Phone Fund 46
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sheriff's Seized Funds 47
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Drug Abuse Treatment and Education Fund 48
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Juvenile Probation Fees Fund 49

Fiduciary Funds - Agency Funds:
Combining Statement of Fiduciary Assets and Liabilities 50
Combining Statement of Changes in Assets and Liabilities 51

Schedule of Projects Paid with Special Purpose Local Option Sales Tax Proceeds 52

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* 53

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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, 2012, 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, 2012, 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 March 27, 2013 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, Westerfield + Deal

March 27, 2013

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

	Primary Government	Component Units	
ASSETS	Governmental Activities	Tattnall County Board of Health	Tattnall County Development Authority
Current Assets:			
Cash	$ 2,053,931	$ 716,356	$ -
Receivables:			
Accounts	343,076	-	-
Taxes	727,084	-	-
Intergovernmental	286,925	23,211	-
Interest	382	-	-
Other	67,498	-	-
Prepaid items	157,133	-	-
Net pension asset	133,271	-	-
Capital Assets:			
Nondepreciable capital assets	887,857	-	-
Depreciable capital assets, net	15,378,881	14,104	-
Total Assets	20,036,038	753,671	-
LIABILITIES			
Current Liabilities:			
Accounts payable	226,549	-	-
Intergovernmental payable	44,320	-	-
Compensated absences payable	59,994	13,797	-
Notes payable	1,502,702	-	-
Capital leases payable	120,366	-	-
Landfill postclosure care costs	14,000	-	-
Long-Term Liabilities:			
Compensated absences payable (net of current portion)	239,977	13,797	-
Notes payable (net of current portion)	178,291		
Capital leases payable (net of current portion)	787,262	-	-
Landfill postclosure care costs (net of current portion)	154,000	-	-
Total Liabilities	3,327,461	27,594	-
NET ASSETS			
Invested in capital assets, net of related debt	13,678,117	14,104	-
Restricted	324,549	206,037	-
Unrestricted	2,705,911	505,936	-
Total Net Assets	$ 16,708,577	$ 726,077	$ -

See accompanying notes to the basic financial statements.

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

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	Component Units: Tattnall County Board of Health	Component Units: Tattnall County Development Authority
Primary Government							
General government	$ 1,694,953	$ 64,193	$ 9,864	-	$ (1,620,896)		
Judicial	1,360,855	255,737	-	-	(1,105,118)		
Public safety	5,078,507	1,846,974	34,945	-	(3,196,588)		
Sanitation	684,213	612,547	-	-	(71,666)		
Public works/Roads	2,525,484	20,030	-	$ 126,929	(2,378,525)		
Health and welfare	285,906	-	33,061	-	(252,845)		
Libraries and recreation	191,968	-	-	-	(191,968)		
Conservation	181,389	-	-	-	(181,389)		
Community services	480,907	-	-	-	(480,907)		
Economic development	31,931	-	-	-	(31,931)		
Interest	67,817	-	-	-	(67,817)		
Total Governmental Activities - Primary Government	$ 12,583,930	$ 2,799,481	$ 77,870	$ 126,929	(9,579,650)		
Component Units:							
Tattnall County Board of Health	$ 692,618	$ 206,037	$ 454,843	$ -		$ (31,738)	-
Tattnall County Development Authority	-	-	-	-		-	$ -
Total Component Units	$ 692,618	$ 206,037	$ 454,843	$ -		$ (31,738)	$ -
		General Revenues					
		Property taxes levied for general purposes			5,922,058	-	-
		Sales taxes			3,267,184	-	-
		Insurance premium tax			672,238	-	-
		Other taxes			154,041	-	-
		Interest earned			16,828	-	-
		Miscellaneous			61,843	-	-
					10,094,192	-	-
		Change in Net Assets			514,542	(31,738)	-
		Net Assets, October 1, 2011			16,194,035	757,815	-
		Net Assets, September 30, 2012			$ 16,708,577	$ 726,077	$ -

See accompanying notes to the basic financial statements.

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

	General	Solid Waste Fund	2009 Special Sales Tax Fund	2004 Special Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 851,817	$ 33,323	$ 827,288	$ -	$ 341,503	$ 2,053,931
Receivables:						
Accounts	-	343,076	-	-	-	343,076
Taxes	727,084	-	-	-	-	727,084
Intergovernmental	125,889	-	158,812	-	2,224	286,925
Interest	-	-	-	-	382	382
Other	-	-	-	-	67,498	67,498
Due from other funds	883,612	-	-	-	355	883,967
Prepaid items	149,321	-	-	-	7,812	157,133
TOTAL ASSETS	$2,737,723	$ 376,399	$ 986,100	$ -	$ 419,774	$ 4,519,996
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 119,784	$ 9,069	$ 76,304	$ -	$ 21,392	$ 226,549
Intergovernmental payable	-	-	44,320	-	-	44,320
Due to other funds	355	339,037	442,449	-	102,126	883,967
Notes payable	-	-	1,368,063	-	-	1,368,063
Deferred revenue	640,213	-	-	-	-	640,213
TOTAL LIABILITIES	760,352	348,106	1,931,136	-	123,518	3,163,112
FUND BALANCES						
Nonspendable	149,321	-	-	-	7,812	157,133
Restricted	-	28,293	-	-	296,256	324,549
Assigned	167,224	-	-	-	-	167,224
Unassigned	1,660,826	-	(945,036)	-	(7,812)	707,978
TOTAL FUND BALANCES	1,977,371	28,293	(945,036)	-	296,256	1,356,884
TOTAL LIABILITIES AND FUND BALANCES	$2,737,723	$ 376,399	$ 986,100	$ -	$ 419,774	$ 4,519,996

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, 2012

Total Governmental Fund Balances			$ 1,356,884
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	$ 25,007,305	
	Less accumulated depreciation	(8,740,567)	16,266,738
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:			
	Property taxes		640,213
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	$ 883,967	
	Interfund payables	(883,967)	-
An 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.			133,271
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	$ (907,628)	
	Notes payable	(312,930)	
	Landfill postclosure care costs	(168,000)	
	Compensated absences	(299,971)	(1,688,529)
Net Assets Of Governmental Activities			$ 16,708,577

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, 2012

	General	Solid Waste Fund	2009 Special Sales Tax Fund	2004 Special Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 7,880,776	$ 72,238	$ 1,986,296	-	-	$ 9,939,310
Licenses and permits	30,508	-	-	-	-	30,508
Charges for services	1,023,073	612,547	11,201	-	$ 296,251	1,943,072
Fees, fines and forfeitures	668,837	-	-	-	109,818	778,655
Intergovernmental	70,410	-	121,789	-	7,460	199,659
Interest	1,764	12,230	5,140	-	2,834	21,968
Other	90,915	-	-	-	18,173	109,088
Total revenues	9,766,283	697,015	2,124,426	-	434,536	13,022,260
EXPENDITURES						
Current:						
General government	1,581,892	-	-	-	-	1,581,892
Judicial	1,281,163	-	-	-	16,451	1,297,614
Public safety	4,267,812	-	-	-	526,024	4,793,836
Sanitation	-	694,289	-	-	-	694,289
Public works/Roads	1,811,837	-	-	-	-	1,811,837
Health and welfare	234,927	-	-	-	-	234,927
Libraries and recreation	95,654	-	-	-	-	95,654
Conservation	176,563	-	-	-	-	176,563
Economic development	17,755	-	-	-	-	17,755
Community services	-	-	-	-	3,747	3,747
Capital outlay	-	-	1,456,123	13,346	100,491	1,569,960
Debt service:						
Principal	23,688	-	286,302	-	-	309,990
Interest	1,158	-	66,659	-	-	67,817
Intergovernmental	-	-	476,460	-	-	476,460
Total expenditures	9,492,449	694,289	2,285,544	13,346	646,713	13,132,341
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	273,834	2,726	(161,118)	(13,346)	(212,177)	(110,081)
OTHER FINANCING SOURCES (USES)						
Sale of assets	9,166	-	13,761	-	-	22,927
Proceeds from capital leases	51,995	-	-	-	-	51,995
Proceeds from notes payable	-	-	480,264	-	-	480,264
Transfers in	7,500	-	-	-	165,961	173,461
Transfers out	(165,961)	-	-	-	(7,500)	(173,461)
Total other financing sources (uses)	(97,300)	-	494,025	-	158,461	555,186
NET CHANGE IN FUND BALANCES	176,534	2,726	332,907	(13,346)	(53,716)	445,105
FUND BALANCES, OCTOBER 1, 2011	1,800,837	25,567	(1,277,943)	13,346	349,972	911,779
FUND BALANCES, SEPTEMBER 30, 2012	$ 1,977,371	$ 28,293	$ (945,036)	$ -	$ 296,256	$ 1,356,884

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, 2012

Net Changes In Fund Balances - Total Governmental Funds			$ 445,105
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	$ (1,132,725)	
	Capital outlay	1,361,825	229,100
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 @ 9/30/12	640,213	
	Deferred @ 9/30/11	(564,002)	76,211
Elimination of transfers between governmental funds:			
	Transfers in	173,461	
	Transfers out	(173,461)	-
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.			(34,834)
The inception of capital leases and the issuance of notes payable is reported as an other financing source on the fund level financial statement and as a liability on the statement of net assets.			(532,259)
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.			5,009
Repayment of capital lease and notes payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			309,990
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.			16,220
Change In Net Assets of Governmental Activities			$ 514,542

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, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 6,061,263	$ 6,061,263	$ 5,845,847	$ (215,416)
Local option sales tax	1,150,000	1,150,000	1,280,888	130,888
Alcoholic beverage	45,000	45,000	47,688	2,688
Insurance premium	650,000	650,000	600,000	(50,000)
Other	97,500	97,500	106,353	8,853
Licenses and permits	22,300	22,300	30,508	8,208
Charges for services	861,300	861,300	1,023,073	161,773
Fees, fines and forfeitures	636,250	636,250	668,837	32,587
Intergovernmental	39,300	39,300	70,410	31,110
Interest	5,000	5,000	1,764	(3,236)
Other	81,366	81,366	90,915	9,549
Total revenues	9,649,279	9,649,279	9,766,283	117,004
EXPENDITURES				
Current:				
General government:				
General administration	1,107,300	556,092	528,652	27,440
Public buildings	283,008	304,885	300,946	3,939
Tax commissioner	277,006	293,128	280,248	12,880
Elections	196,700	202,873	165,756	37,117
Tax assessor	275,540	290,740	260,122	30,618
Code enforcement	42,252	46,748	43,721	3,027
Tax equalizers	5,400	5,400	2,447	2,953
Total general government	2,187,206	1,699,866	1,581,892	117,974
Judicial:				
State and Superior Court	496,360	558,587	540,295	18,292
State Court Solicitor	43,725	45,650	43,384	2,266
Clerk of Superior Court	356,233	343,363	335,633	7,730
Probate Court	183,062	195,413	179,411	16,002
Magistrate Court	187,900	201,525	182,440	19,085
Total judicial	1,267,280	1,344,538	1,281,163	63,375
Public safety:				
Sheriff	1,276,645	1,390,983	1,394,285	(3,302)
Public safety director	149,267	151,444	148,920	2,524
Jail	910,850	959,577	1,216,512	(256,935)
Emergency management/civil defense	124,865	128,577	114,556	14,021
Ambulance service	1,137,275	1,188,459	1,153,419	35,040
Coroner	32,380	32,860	26,617	6,243
Animal control	87,270	90,629	80,845	9,784
Probation	69,292	74,538	72,339	2,199
Fire	40,000	52,000	52,000	-
Drug condemnations	10,000	10,000	8,319	1,681
Total public safety	$ 3,837,844	$ 4,079,067	$ 4,267,812	$ (188,745)

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, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Public works/Roads:				
Roads	$ 1,556,238	$ 1,682,911	$ 1,626,183	$ 56,728
County road shop	218,245	229,045	185,654	43,391
Total public works/Roads	1,774,483	1,911,956	1,811,837	100,119
Health and welfare:				
Senior center	9,200	9,200	8,740	460
School resource officer	52,610	56,437	52,622	3,815
Rural transit	-	-	26,830	(26,830)
Health department/other	166,138	151,756	146,735	5,021
Total health and welfare	227,948	217,393	234,927	(17,534)
Libraries and recreation:				
Recreation	59,500	59,500	59,500	-
Libraries	35,650	37,650	36,154	1,496
Total libraries and recreation	95,150	97,150	95,654	1,496
Conservation:				
Extension service	173,110	180,352	157,942	22,410
Forestry commission	18,800	18,800	18,621	179
Total conservation	191,910	199,152	176,563	22,589
Economic development	139,710	139,710	17,755	121,955
Debt service:				
Principal	-	23,688	23,688	-
Interest	-	1,158	1,158	-
Total debt service	-	24,846	24,846	-
Total expenditures	9,721,531	9,713,678	9,492,449	221,229
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(72,252)	(64,399)	273,834	338,233
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	38,052	38,052	9,166	(28,886)
Proceeds from capital lease	-	-	51,995	51,995
Transfers in	-	-	7,500	7,500
Transfers out	(65,800)	(70,645)	(165,961)	(95,316)
Total other financing sources (uses)	(27,748)	(32,593)	(97,300)	(64,707)
NET CHANGE IN FUND BALANCE	$ (100,000)	$ (96,992)	176,534	$ 273,526
FUND BALANCE, BEGINNING OF YEAR			1,800,837	
FUND BALANCE, END OF YEAR			$ 1,977,371	

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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Insurance premium tax	$ -	$ 72,238	$ 72,238
Charges for services	680,000	612,547	(67,453)
Interest	9,153	12,230	3,077
Total revenues	689,153	697,015	7,862
EXPENDITURES			
Current:			
Sanitation	692,161	694,289	(2,128)
Total expenditures	692,161	694,289	(2,128)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,008)	2,726	5,734
FUND BALANCE, BEGINNING OF YEAR	25,567	25,567	-
FUND BALANCE, END OF YEAR	$ 22,559	$ 28,293	$ 5,734

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA

COMPARATIVE STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2012 AND 2011

	2012	2011
ASSETS		
Cash	$ 294,011	$ 365,118
Other receivables	489	808
TOTAL ASSETS	$ 294,500	$ 365,926
LIABILITIES		
Due to other entities and individuals	294,500	365,926
TOTAL LIABILITIES	$ 294,500	$ 365,926

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, 2012. 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, 2012.

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 $340,000 at September 30, 2012.

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, 2012, 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 reported as nonspendable 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. 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, 2012, in the following departments for the general fund:

	General Fund
Sheriff	$ 3,302
Jail	256,935
Rural transit	26,830

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	$ 3,747
Juvenile probation fees fund	4,910

Deficit Fund Balances

The 2009 Special Sales Tax Fund had a deficit fund balance of $945,036 at September 30, 2012 which the County plans to eliminate with future special sales tax revenue.

NOTE 3 – DEPOSITS AND INVESTMENTS

At September 30, 2012, the carrying amount of the County's deposits and investments was $2,347,942 and the bank balance was $2,643,922. Of the bank balance, $1,527,855 was covered by federal depository insurance and $1,116,067 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 Office of State Treasurer. The balance at September 30, 2012 was $39,434 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, 2012.

At June 30, 2012, the bank deposits of the Tattnall County Board of Health totaling $719,443 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, 2012, property taxes were levied on September 2, 2011, mailed on October 14, 2011, and were due December 15, 2011.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2012, is as follows:

Receivable Fund	Payable Fund	Amount
General	Jail Fund	$ 5,618
	Tattnall Area Rural Transit	432
	Solid Waste Fund	339,037
	Telephone E-911 Fund	96,076
	2009 Special Sales Tax	442,449
Juvenile Probation Fees Fund	General	355
Total		$ 883,967

Interfund balances at September 30, 2012 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, 2012, consisted of the following:

	Transfers From:		
Transfer To:	General Fund	Law Library	Total
General Fund	-	$ 7,500	$ 7,500
Telephone E-911 Fund	$ 162,232	-	162,232
Tattnall Area Rural Transit	3,729	-	3,729
Total	$ 165,961	$ 7,500	$ 173,461

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. The Law Library fund transferred $7,500 to the general fund to help pay for furnishings for the Courts.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012 was as follows:

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 556,098	-	-	$ 556,098
Construction in progress	3,884,305	$ 144,761	$ 3,697,307	331,759
Total capital assets not being depreciated	4,440,403	144,761	3,697,307	887,857
Capital assets being depreciated:				
Buildings & improvements	11,301,259	4,080,867	94,000	15,288,126
Machinery and equipment	5,837,807	797,538	283,940	6,351,405
Infrastructure	2,443,951	35,966	-	2,479,917
Total capital assets being depreciated	19,583,017	4,914,371	377,940	24,119,448
Total capital assets	24,023,420	5,059,132	4,075,247	25,007,305
Accumulated depreciation:				
Buildings & improvements	3,961,860	340,696	76,887	4,225,669
Machinery and equipment	3,486,388	693,933	266,218	3,914,103
Infrastructure	502,699	98,096	-	600,795
Total accumulated depreciation	7,950,947	1,132,725	343,105	8,740,567
Governmental activities capital assets, net	$ 16,072,473	$ 3,926,407	$ 3,732,142	$ 16,266,738

NOTE 6 – CAPITAL ASSETS (Continued)

Governmental activities depreciation expense:

General government	$ 107,625
Judicial	59,056
Public safety	462,000
Sanitation	3,771
Roads	412,509
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	$ 1,132,725

	Balance 6/30/2011	Additions	Deductions	Balance 6/30/2012
Component unit - Tattnall County Board of Health:				
Capital assets being depreciated:				
Machinery and equipment	$ 170,010	-	-	$ 170,010
Accumulated depreciation:				
Machinery and equipment	149,436	$ 6,471	-	155,907
Component units capital assets, net	$ 20,575	$ (6,471)	-	$ 14,103

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, 2012 are based on what it would cost to perform all postclosure care in 2012. 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 short term notes payable outstanding at September 30, 2012, consisted of the following:

$950,200 Line of credit with The Glennville Bank and Trust Company, payable on December 31, 2012, including interest at 3.23%	$ 555,090	Special Sales Tax Fund
$950,000 Line of credit with South Georgia Bank, payable on December 31, 2012, including interest at 3.72%	812,973	Special Sales Tax Fund
	$ 1,368,063	

Short term debt activity for the year ended September 30, 2012, was as follows:

	Balance 10/01/11	Increases	Decreases	Balance 9/30/12
The Glennville Bank and Trust Company loan	$ 400,200	705,090	550,200	$ 555,090
South Georgia Bank loan	800,000	1,022,973	1,010,000	812,973
	$ 1,200,200	1,728,063	1,560,200	$ 1,368,063

Long term notes payable at September 30, 2012 consisted of a note payable to the Heritage Bank of the South related to expenditures for emergency services. The loan requires monthly payments of $12,000, including interest at 3.72 percent through December 31, 2013. This loan had an outstanding balance of $312,930 at September 30, 2012.

As of September 30, 2012, annual debt service requirements to maturity are as follows:

Year ending	Governmental Activities		
September 30	Principal	Interest	Total
2013	$ 134,639	$ 9,361	$ 144,000
2014	178,291	1,551	179,842
Total	$ 312,930	$ 10,912	$ 323,842

NOTE 9 – CAPITAL LEASES

The County has entered into lease agreements as lessee for financing the acquisition of various equipment costing $1,131,791. 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.

NOTE 9 – CAPITAL LEASES (Continued)

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, 2012:

Year ending September 30	
2013	$ 152,147
2014	346,613
2015	283,328
2016	202,919
Total minimum lease payments	985,007
Less amount representing interest	77,379
Present value of future minimum lease payments	$ 907,628

NOTE 10 – CHANGES IN LONG-TERM DEBT

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Amounts Due In One Year
Compensated absences payable	$ 302,191	-	$ 2,220	$ 299,971	$ 59,994
Accrued landfill postclosure care costs	182,000	-	14,000	168,000	14,000
Notes payable	-	$ 480,264	167,334	312,930	134,639
Capital leases payable	998,290	51,995	142,657	907,628	120,366
	$ 1,482,481	$ 532,259	$ 326,211	$ 1,688,529	$ 328,999

The compensated absences liability will be paid primarily from the General Fund. The notes payable and 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, 2012, governmental fund balances are composed of the following:

	General Fund	Solid Waste Fund	2009 Special Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	$ 149,321	-	-	$ 7,812	$ 157,133
Restricted:					
Sheriff	-	-	-	67,656	67,656
Law library	-	-	-	58,035	58,035
Drug education	-	-	-	16,364	16,364
Jail	-	-	-	149,529	149,529
Juvenile probation	-	-	-	4,672	4,672
Sanitation	-	$ 28,293	-	-	28,293
Total restricted	-	28,293	-	296,256	324,549
Assigned:					
Subsequent years' budget	167,224	-	-	-	167,224
Unassigned	1,660,826	-	$ (945,036)	(7,812)	707,978
Total fund balances	$ 1,977,371	$ 28,293	$ (945,036)	$ 296,256	$ 1,356,884

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, 2012 (the most recent actuarial valuation date) was $3,028,616.

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.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

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.

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 2012, the County's annual pension cost was $385,224. The County's required contribution was $384,528 and the actual contribution was $390,233. The required contribution was determined as part of an actuarial valuation performed as of January 1, 2012 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, 2012 was 10 years.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

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

Annual required contribution	$ 384,528
Interest on net pension obligation	(9,940)
Amortization of net pension obligation	10,636
Annual pension cost	385,224
Contributions made	(390,233)
Decrease in net pension obligation	(5,009)
Net pension obligation (asset), beginning of year	(128,262)
Net pension obligation (asset), end of year	$ (133,271)

F. Three-Year Trend Information

Year Ended 9/30	Annual Pension Cost	Actual County Contribution	Percentage Contributed	Net Pension Obligation (Asset)
2010	$ 329,402	$ 345,876	105.0%	$ (117,001)
2011	358,064	369,325	103.1%	(128,262)
2012	385,224	390,233	101.3%	(133,271)

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)
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%
2012	3,954,999	5,200,466	76.1%	1,245,467	3,028,616	41.1%

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

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

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.

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, 2012 were $38,122. 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.

NOTE 13 – RISK MANAGEMENT

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all 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, 2012, the County paid $17,007 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

NOTE 16 – SUBSEQUENT EVENTS

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through March 27, 2013, the date the financial statements were available to be issued.

TATTNALL COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS

ASSETS

	SEPTEMBER 30, 2012	SEPTEMBER 30, 2011
ASSETS		
Cash	$ 851,817	$ 576,989
Receivables:		
Taxes	727,084	622,706
Intergovernmental	125,889	151,652
Due from other funds	883,612	932,979
Prepaid items	149,321	139,818
TOTAL ASSETS	$ 2,737,723	$ 2,424,144

LIABILITIES AND FUND BALANCE

LIABILITIES		
Accounts payable	$ 119,784	$ 58,950
Deferred revenue	640,213	564,002
Due to other funds	355	355
Total liabilities	760,352	623,307
FUND BALANCE		
Nonspendable	149,321	139,818
Assigned	167,224	100,000
Unassigned	1,660,826	1,561,019
Total fund balance	1,977,371	1,800,837
TOTAL LIABILITIES AND FUND BALANCE	$ 2,737,723	$ 2,424,144

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

	YEAR ENDED	
	SEPTEMBER 30, 2012	SEPTEMBER 30, 2011
REVENUES		
Taxes	$ 7,880,776	$ 7,724,387
Licenses and permits	30,508	27,670
Charges for services	1,023,073	923,269
Fees, fines and forfeitures	668,837	716,835
Intergovernmental	70,410	116,349
Interest	1,764	4,155
Other	90,915	87,271
Total revenues	9,766,283	9,599,936
EXPENDITURES		
Current:		
General government	1,581,892	1,491,469
Public safety	4,267,812	3,730,890
Judicial	1,281,163	1,189,493
Public works/Roads	1,811,837	1,751,574
Health and welfare	234,927	276,698
Libraries and recreation	95,654	99,313
Conservation	176,563	171,902
Economic development	17,755	380,530
Debt service		
Principal	23,688	69,328
Interest	1,158	4,567
Total expenditures	9,492,449	9,165,764
EXCESS OF REVENUES OVER EXPENDITURES	273,834	434,172
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	9,166	7,842
Proceeds from capital leases	51,995	-
Transfers in	7,500	-
Transfers out	(165,961)	(242,018)
Total other financing sources (uses)	(97,300)	(234,176)
NET CHANGE IN FUND BALANCE	176,534	199,996
FUND BALANCE, BEGINNING OF YEAR	1,800,837	1,600,841
FUND BALANCE, END OF YEAR	$ 1,977,371	$ 1,800,837

TATTNALL COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2012

	Telephone E-911 Fund	Jail Fund	Law Library	Jail Phone Fund
ASSETS				
Cash	$ 28,221	$ 8,371	$ 58,035	$ 158,662
Receivables:				
Intergovernmental	-	344	-	-
Interest	-	-	-	382
Other	67,498	-	-	-
Due from other funds	-	-	-	-
Prepaid items	7,812	-	-	-
TOTAL ASSETS	$ 103,531	$ 8,715	$ 58,035	$ 159,044
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$ 7,455	-	-	$ 12,612
Due to other funds	96,076	$ 5,618	-	-
Total liabilities	103,531	5,618	-	12,612
Fund balance :				
Nonspendable	7,812	-	-	-
Restricted	-	3,097	$ 58,035	146,432
Unassigned	(7,812)	-	-	-
Total fund balance	-	3,097	58,035	146,432
TOTAL LIABILITIES AND FUND BALANCE	$ 103,531	$ 8,715	$ 58,035	$ 159,044

(Continued) - 1.

TATTNALL COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2012

	Tattnall Area Rural Transit	Sheriff's Seized Funds	Drug Abuse Treatment and Education Fund	Juvenile Probation Fees Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash	$ 432	$ 67,656	$ 16,364	$ 3,762	$ 341,503
Receivables:					
Intergovernmental	-	-	-	1,880	2,224
Interest	-	-	-	-	382
Other	-	-	-	-	67,498
Due from other funds	-	-	-	355	355
Prepaid items	-	-	-	-	7,812
TOTAL ASSETS	$ 432	$ 67,656	$ 16,364	$ 5,997	$ 419,774
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	-	-	$ 1,325	$ 21,392
Due to other funds	$ 432	-	-	-	102,126
Total liabilities	432	-	-	1,325	123,518
Fund balance:					
Nonspendable		-	-	-	7,812
Restricted		$ 67,656	$ 16,364	4,672	296,256
Unassigned	-	-	-	-	(7,812)
Total fund balance	-	67,656	16,364	4,672	296,256
TOTAL LIABILITIES AND FUND BALANCE	$ 432	$ 67,656	$ 16,364	$ 5,997	$ 419,774

(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, 2012

	Telephone E-911 Fund	Jail Fund	Law Library	Jail Phone Fund
REVENUES				
Intergovernmental	-	-	-	-
Charges for services	$ 296,251	-	-	-
Fees, fines and forfeitures	-	$ 43,026	$ 11,070	-
Interest	73	5	263	$ 2,362
Other	9	-	-	18,164
Total revenues	296,333	43,031	11,333	20,526
EXPENDITURES				
Current:				
Public safety	454,878	788	-	24,023
Judicial	-	-	16,451	-
Community services	-	-	-	-
Capital outlay:				
Public safety	3,687	37,500	-	56,574
Judicial	-	-	2,730	
Total expenditures	458,565	38,288	19,181	80,597
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(162,232)	4,743	(7,848)	(60,071)
OTHER FINANCING SOURCES (USES)				
Transfers in	162,232	-	-	-
Transfers out	-	-	(7,500)	-
Total other financing sources (uses)	162,232	-	(7,500)	-
NET CHANGE IN FUND BALANCE	-	4,743	(15,348)	(60,071)
FUND BALANCE, BEGINNING OF YEAR	-	(1,646)	73,383	206,503
FUND BALANCE, END OF YEAR	$ -	$ 3,097	$ 58,035	$ 146,432

(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, 2012

	Tattnall Area Rural Transit	Sheriff's Seized Funds	Drug Abuse Treatment and Education Fund	Juvenile Probation Fees Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Intergovernmental	-	-	-	$ 7,460	$ 7,460
Charges for services	-	-	-	-	296,251
Fees, fines and forfeitures		$ 40,289	$ 13,058	2,375	109,818
Interest	$ 18	87	26	-	2,834
Other	-	-	-	-	18,173
Total revenues	18	40,376	13,084	9,835	434,536
EXPENDITURES					
Current:					
Public safety	-	19,508	16,917	9,910	526,024
Judicial	-	-	-	-	16,451
Community services	3,747	-	-	-	3,747
Capital outlay:					-
Public safety	-	-	-	-	97,761
Judicial	-	-	-	-	2,730
Total expenditures	3,747	19,508	16,917	9,910	646,713
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,729)	20,868	(3,833)	(75)	(212,177)
OTHER FINANCING SOURCES					
Transfers in	3,729	-	-	-	165,961
Transfers out	-	-	-	-	(7,500)
Total other financing sources (uses)	3,729	-	-	-	158,461
NET CHANGE IN FUND BALANCE	-	20,868	(3,833)	(75)	(53,716)
FUND BALANCE, BEGINNING OF YEAR		46,788	20,197	4,747	349,972
FUND BALANCE, END OF YEAR	$ -	$ 67,656	$ 16,364	$ 4,672	$ 296,256

(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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)	2011 Actual
REVENUES				
Charges for services	$ 378,000	$ 296,251	$ (81,749)	$ 299,535
Interest	100	73	(27)	102
Miscellaneous	-	9	9	2,239
Total revenues	378,100	296,333	(81,767)	301,876
EXPENDITURES				
Current:				
Public safety	487,970	454,878	33,092	448,660
Capital outlay:				
Public safety	3,700	3,687	13	3,076
Total expenditures	491,670	458,565	33,105	451,736
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(113,570)	(162,232)	(48,662)	(149,860)
OTHER FINANCING SOURCES				
Transfers in	70,645	162,232	91,587	149,860
NET CHANGE IN FUND BALANCE	(42,925)	-	42,925	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ (42,925)	-	$ 42,925	-

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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)	2011 Actual
REVENUES				
Fees, fines and forfeitures	$ 50,000	$ 43,026	$ (6,974)	$ 43,396
Interest	-	5	5	7
Other	-	-	-	600
Total revenues	50,000	43,031	(6,969)	44,003
EXPENDITURES				
Current outlay:				
Public safety	3,200	788	2,412	5,783
Capital outlay:				
Public safety	46,800	37,500	9,300	41,400
Total expenditures	50,000	38,288	11,712	47,183
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	4,743	4,743	(3,180)
FUND BALANCE, BEGINNING OF YEAR	(1,646)	(1,646)	-	1,534
FUND BALANCE, END OF YEAR	$ (1,646)	$ 3,097	$ 4,743	$ (1,646)

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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)	2011 Actual
REVENUES				
Fees, fines and forfeitures	$ 10,000	$ 11,070	$ 1,070	$ 11,560
Interest	650	263	(387)	791
Total revenues	10,650	11,333	683	12,351
EXPENDITURES				
Current:				
Judicial	18,500	16,451	2,049	8,412
Capital outlay:				
Judicial	5,000	2,730	2,270	-
Total expenditures	23,500	19,181	4,319	8,412
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,850)	(7,848)	5,002	3,939
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(7,500)	(7,500)	-
NET CHANGE IN FUND BALANCE	(12,850)	(15,348)	(2,498)	3,939
FUND BALANCE, BEGINNING OF YEAR	73,383	73,383	-	69,444
FUND BALANCE, END OF YEAR	$ 60,533	$ 58,035	$ (2,498)	$ 73,383

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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)	2011 Actual
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ 109,678
Charges for services	-	-	-	37,047
Interest	-	18	18	9
Total revenues	-	18	18	146,734
EXPENDITURES				
Current:				
Community services	-	3,747	(3,747)	238,892
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(3,729)	(3,729)	(92,158)
OTHER FINANCING SOURCES				
Transfers in	-	3,729	3,729	92,158
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	-	$ -	-

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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)	2011 Actual
REVENUES				
Telephone commissions	$ 18,000	$ 18,164	$ 164	$ 8,524
Interest	-	2,362	2,362	3,214
Total revenues	18,000	20,526	2,526	11,738
EXPENDITURES				
Current:				
Public safety	25,000	24,023	977	-
Capital outlay:				
Public safety	57,000	56,574	426	-
Total expenditures	82,000	80,597	1,403	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(64,000)	(60,071)	3,929	11,738
FUND BALANCE, BEGINNING OF YEAR	206,503	206,503	-	194,765
FUND BALANCE, END OF YEAR	$ 142,503	$ 146,432	$ 3,929	$ 206,503

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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)	2011 Actual
REVENUES				
Fees, fines and forfeitures	$ 8,000	$ 40,289	$ 32,289	$ 27,827
Interest	-	87	87	94
Total revenues	8,000	40,376	32,376	27,921
EXPENDITURES				
Current:				
Public safety	20,000	19,508	492	23,163
Total expenditures	20,000	19,508	492	23,163
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,000)	20,868	32,868	4,758
FUND BALANCE, BEGINNING OF YEAR	46,788	46,788	-	42,030
FUND BALANCE, END OF YEAR	$ 34,788	$ 67,656	$ 32,868	$ 46,788

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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)	2011 Actual
REVENUES				
Fees, fines and forfeitures	$ 20,000	$ 13,058	$ (6,942)	$ 18,958
Interest	-	26	26	50
Total revenues	20,000	13,084	(6,916)	19,008
EXPENDITURES				
Current:				
Public safety	20,000	16,917	3,083	18,614
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,833)	(3,833)	394
FUND BALANCE, BEGINNING OF YEAR	20,197	20,197	-	19,803
FUND BALANCE, END OF YEAR	$ 20,197	$ 16,364	$ (3,833)	$ 20,197

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, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)	2011 Actual
REVENUES				
Fees, fines and forfeitures	$ 5,000	$ 2,375	$ (2,625)	$ 1,684
Intergovernmental	-	7,460	7,460	5,259
Total revenues	5,000	9,835	4,835	6,943
EXPENDITURES				
Current:				
Public safety	5,000	9,910	(4,910)	9,283
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(75)	(75)	(2,340)
FUND BALANCE, BEGINNING OF YEAR	4,747	4,747	-	7,087
FUND BALANCE, END OF YEAR	$ 4,747	$ 4,672	$ (75)	$ 4,747

TATTNALL COUNTY, GEORGIA
COMBINING STATEMENT OF FUDICIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2012

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Probation Office	Totals
ASSETS							
Cash	$ 120,465	$ 13,372	$ 40,145	$ 26,472	$ 75,794	$ 17,763	$ 294,011
Due from others	489	-	-	-	-	-	489
TOTAL ASSETS	$ 120,954	$ 13,372	$ 40,145	$ 26,472	$ 75,794	$ 17,763	$ 294,500
LIABILITIES							
Due to other entities and individuals	$ 120,954	$ 13,372	$ 40,145	$ 26,472	$ 75,794	$ 17,763	$ 294,500
TOTAL LIABILITIES	$ 120,954	$ 13,372	$ 40,145	$ 26,472	$ 75,794	$ 17,763	$ 294,500

TATTNALL COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Balance September 30, 2011	Additions	Deductions	Balance September 30, 2012
Tax Commissioner				
Assets				
Cash	$ 156,930	$ 12,365,270	$ 12,401,735	$ 120,465
Due from others	808	-	319	489
	157,738	12,365,270	12,402,054	120,954
Liabilities				
Due to other entities and individuals	$ 157,738	$ 12,365,270	$ 12,402,054	$ 120,954
Probate Court				
Assets				
Cash	$ 29,612	$ 56,950	$ 73,190	$ 13,372
Liabilities				
Due to other entities and individuals	$ 29,612	$ 56,950	$ 73,190	$ 13,372
Clerk of Courts				
Assets				
Cash	$ 43,333	$ 910,973	$ 914,161	$ 40,145
Liabilities				
Due to other entities and individuals	$ 43,333	$ 910,973	$ 914,161	$ 40,145
Magistrate Court				
Assets				
Cash	$ 47,542	$ 233,445	$ 254,515	$ 26,472
Liabilities				
Due to other entities and individuals	$ 47,542	$ 233,445	$ 254,515	$ 26,472
Sheriff				
Assets				
Cash	$ 70,222	$ 531,895	$ 526,323	$ 75,794
Liabilities				
Due to other entities and individuals	$ 70,222	$ 531,895	$ 526,323	$ 75,794
Probation Office				
Assets				
Cash	$ 17,479	$ 242,319	$ 242,035	$ 17,763
Liabilities				
Due to other entities and individuals	$ 17,479	$ 242,319	$ 242,035	$ 17,763
Total Agency Funds				
Assets				
Cash	$ 365,118	$ 14,340,852	$ 14,411,959	$ 294,011
Due from others	808	-	319	489
	$ 365,926	$ 14,340,852	$ 14,412,278	$ 294,500
Liabilities				
Due to other entities and individuals	$ 365,926	$ 14,340,852	$ 14,412,278	$ 294,500

TATTNALL COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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	$ 3,228,617	$ 3,228,378	$ 239	$ 3,228,617	100%
County shop building	-	198,304	185,197	13,107	198,304	100%
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	$ 9,362,338	$ 9,348,992	$ 13,346	$ 9,362,338	100.0%

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	$ 969,179	$ 584,706	$ 1,553,885	49%
Jail and other buildings	3,360,000	3,360,000	2,018,168	710,832	2,729,000	81%
Emergency services	1,050,000	1,050,000	419,967	301,146	721,113	69%
Recreation	420,000	420,000	183,443	79,410	262,853	63%
City of Cobbtown	100,800	100,800	44,026	19,058	63,084	63%
City of Collins	176,400	176,400	77,046	33,352	110,398	63%
City of Glennville	1,512,000	1,512,000	660,395	285,876	946,271	63%
City of Manassas	25,200	25,200	11,007	4,765	15,772	63%
City of Reidsville	705,600	705,600	308,184	133,409	441,593	63%
	$ 10,500,000	$ 10,500,000	$ 4,691,415	$ 2,152,554	$ 6,843,969	65%

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	$ 2,285,544
Less:	
Intergovernmental revenue	(121,789)
Charges for services	(11,201)
Total current year expenditures per above	$ 2,152,554

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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, 2012, which collectively comprise Tattnall County's basic financial statements and have issued our report thereon dated March 27, 2013. 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.

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 deficiency described below to be a material weakness.

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.

2012-1. 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.

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

March 27, 2013