TATTNALL COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Tattnall County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tattnall County, Georgia, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Tattnall County Board of Health, a discretely presented component unit, which represents 3.9% of the assets, 4.3% of the of the net position, and 4.9% of the revenues of Tattnall County, Georgia.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Tattnall County Board of Health, a discretely presented component unit, which represents 3.9% of the assets, 4.3% of the net position, and 4.9% of the revenues of Tattnall County, Georgia. 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 solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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, 2013, 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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that 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 the missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tattnall County, Georgia's basic financial statements. 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and schedule of projects paid with SPLOST proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tattnall County, Georgia's internal control over financial reporting and compliance.

Thigpen, Lanier, Waterfield + Deal

Statesboro, Georgia
May 6, 2014

TATTNALL COUNTY, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	Primary Government	Component Units	
	Governmental Activities	Tattnall County Board of Health	Tattnall County Development Authority
ASSETS			
Current Assets:			
Cash	$ 2,430,314	$ 786,725	$ 77,939
Receivables:			
Accounts	344,321	-	-
Taxes	719,995	-	-
Intergovernmental	336,617	8,028	-
Other	115,021	-	-
Prepaid items	173,054	-	-
Net pension asset	34,034	-	-
Capital Assets:			
Nondepreciable capital assets	739,669	-	-
Depreciable capital assets, net	15,904,174	8,532	-
Total Assets	20,797,199	803,285	77,939
LIABILITIES			
Current Liabilities:			
Accounts payable	206,116	2,991	-
Accrued payroll	48,475	-	-
Intergovernmental payable	81,207	-	-
Unearned revenue	1,362	-	-
Compensated absences payable	59,161	16,324	-
Notes payable	827,631	-	-
Capital leases payable	395,473	-	-
Landfill postclosure care costs	14,000	-	-
Long-Term Liabilities:			
Compensated absences payable (net of current portion)	236,644	16,324	-
Capital leases payable (net of current portion)	853,885	-	-
Landfill postclosure care costs (net of current portion)	140,000	-	-
Total Liabilities	2,863,954	35,639	-
NET POSITION			
Net investment in capital assets	14,566,854	8,532	-
Restricted for:			-
Capital projects	276,285	-	-
Program purposes	220,130	206,834	-
Unrestricted	2,869,976	552,280	77,939
Total Net Position	$ 17,933,245	$ 767,646	$ 77,939

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 Position: Primary Government Governmental Activities	Component Units: Tattnall County Board of Health	Component Units: Tattnall County Development Authority
Primary Government							
General government	$ 1,757,350	$ 29,765	$ 4,174	-	$ (1,723,411)		
Judicial	1,253,445	189,338	-	-	(1,064,107)		
Public safety	5,385,841	1,933,796	41,924	$ 42,979	(3,367,142)		
Sanitation	712,729	594,605	-	-	(118,124)		
Public works/Roads	2,409,419	9,408	-	619,600	(1,780,411)		
Health and welfare	252,155	-	37,329	-	(214,826)		
Libraries and recreation	195,371	-	-	-	(195,371)		
Conservation	208,572	-	-	-	(208,572)		
Community services	435,890	-	-	-	(435,890)		
Economic development	85,462	-	-	-	(85,462)		
Interest	62,521	-	-	-	(62,521)		
Total Governmental Activities - Primary Government	$ 12,758,755	$ 2,756,912	$ 83,427	$ 662,579	(9,255,837)		
Component Units:							
Tattnall County Board of Health	$ 647,147	$ 207,216	$ 474,643	$ -		$ 34,712	-
Tattnall County Development Authority	3,448	-	81,287	-		-	$ 77,839
Total Component Units	$ 650,595	$ 207,216	$ 555,930	$ -		$ 34,712	$ 77,839
		General Revenues					
		Property taxes levied for general purposes			6,073,998	-	100
		Sales taxes			3,367,146	-	-
		Insurance premium tax			751,497	-	-
		Other taxes			186,175	-	-
		Interest earned			19,181	-	-
		Gain on sale of capital assets			55,486	-	-
		Miscellaneous			65,062	-	-
		Total general revenues			10,518,545	-	100
		Change in Net Position			1,262,708	34,712	77,939
		Net Position, October 1, 2012, As Restated			16,670,537	732,934	-
		Net Position, September 30, 2013			$ 17,933,245	$ 767,646	$ 77,939

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	General	Solid Waste Fund	2009 Special Sales Tax Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash	$1,226,027	$ 53,258	$ 700,346	$ 450,683	$ 2,430,314
Receivables:					
Accounts	-	344,321	-	-	344,321
Taxes	719,995	-	-	-	719,995
Intergovernmental	134,065	-	143,577	58,975	336,617
Other	-	-	-	115,021	115,021
Due from other funds	947,638	-	-	19,039	966,677
Prepaid items	160,547	-	-	12,507	173,054
TOTAL ASSETS	$3,188,272	$ 397,579	$ 843,923	$ 656,225	$ 5,085,999
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 103,455	$ 52,552	$ 28,795	$ 21,314	$ 206,116
Accrued payroll	48,475	-	-	-	48,475
Intergovernmental payable	-	-	81,207	-	81,207
Due to other funds	13,775	371,957	442,449	138,496	966,677
Notes payable	-	-	700,350	-	700,350
Unearned revenue	1,362	-	-	-	1,362
TOTAL LIABILITIES	167,067	424,509	1,252,801	159,810	2,004,187
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	657,096	-	-	-	657,096
FUND BALANCES					
Nonspendable	160,547	-	-	12,507	173,054
Restricted	-	-	-	496,415	496,415
Assigned	260,500	-	-	-	260,500
Unassigned	1,943,062	(26,930)	(408,878)	(12,507)	1,494,747
TOTAL FUND BALANCES	2,364,109	(26,930)	(408,878)	496,415	2,424,716
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$3,188,272	$ 397,579	$ 843,923	$ 656,225	$ 5,085,999

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

Amounts reported for governmental activities in the statement of net position are different because:			
Total Governmental Fund Balances			$ 2,424,716
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:			
	Cost	$ 26,567,022	
	Less accumulated depreciation	(9,923,179)	16,643,843
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds:			
	Property taxes		657,096
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net position:			
	Interfund receivables	$ 966,677	
	Interfund payables	(966,677)	-
An asset is reported on the government-wide statement of net position for the County's cumulative overfunding of its annual required contribution to its pension plan.			34,034
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 position:			
	Capital leases payable	$ (1,249,358)	
	Notes payable	(127,281)	
	Landfill postclosure care costs	(154,000)	
	Compensated absences	(295,805)	(1,826,444)
Net Position Of Governmental Activities			$ 17,933,245

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, 2013

	General	Solid Waste Fund	2009 Special Sales Tax Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	$ 8,110,166	$ 101,497	$ 1,816,209	$ 334,061	$ 10,361,933
Licenses and permits	27,260	-	-	-	27,260
Charges for services	1,046,643	594,605	7,651	354,145	2,003,044
Fees, fines and forfeitures	608,063	-	-	93,664	701,727
Intergovernmental	93,460	-	7,588	609,629	710,677
Interest	1,746	16,754	2,054	1,010	21,564
Other	98,008	-		24,881	122,889
Total revenues	9,985,346	712,856	1,833,502	1,417,390	13,949,094
EXPENDITURES					
Current:					
General government	1,555,568	-	-	-	1,555,568
Judicial	1,187,895	-	-	7,507	1,195,402
Public safety	4,564,427	-	-	498,120	5,062,547
Sanitation	-	730,039	-	-	730,039
Public works/Roads	1,732,730	-	-	-	1,732,730
Health and welfare	205,035	-	-	-	205,035
Libraries and recreation	104,987	-	-	-	104,987
Conservation	203,746	-	-	-	203,746
Economic development	71,287	-	-	-	71,287
Community services	-	-	-	-	-
Capital outlay	-	-	917,123	795,899	1,713,022
Debt service:					
Principal	25,474	-	282,734	-	308,208
Interest	2,304	-	60,217	-	62,521
Intergovernmental	-	-	435,890	-	435,890
Total expenditures	9,653,453	730,039	1,695,964	1,301,526	13,380,982
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	331,893	(17,183)	137,538	115,864	568,112
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	73,471	-	-	-	73,471
Proceeds from capital leases	64,669	-	399,620	-	464,289
Transfers in	-	-	-	84,295	84,295
Transfers out	(83,295)	-	(1,000)	-	(84,295)
Total other financing sources (uses)	54,845	-	398,620	84,295	537,760
NET CHANGE IN FUND BALANCES	386,738	(17,183)	536,158	200,159	1,105,872
FUND BALANCES, OCTOBER 1, 2012, AS RESTATED	1,977,371	(9,747)	(945,036)	296,256	1,318,844
FUND BALANCES, SEPTEMBER 30, 2013	$ 2,364,109	$ (26,930)	$ (408,878)	$ 496,415	$ 2,424,716

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, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net Changes In Fund Balances - Total Governmental Funds			$ 1,105,872
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	$ (1,238,919)	
	Capital outlay	1,634,009	395,090
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 @ 9/30/13	657,096	
	Deferred @ 9/30/12	(640,213)	16,883
Elimination of transfers between governmental funds:			
	Transfers in	84,295	
	Transfers out	(84,295)	-
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.			(17,985)
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 position.			(464,289)
A inccrease in expense for the pension plan is recognized in the government-wide statement of activities for the decrease in the net pension asset.			(99,237)
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 position.			308,208
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.			18,166
Change In Net Position of Governmental Activities			$ 1,262,708

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, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 6,158,750	$ 6,158,750	$ 6,057,115	$ (101,635)
Local option sales tax	1,200,000	1,200,000	1,216,876	16,876
Alcoholic beverage	45,000	45,000	46,982	1,982
Insurance premium	650,000	650,000	650,000	-
Other	92,500	92,500	139,193	46,693
Licenses and permits	29,050	29,050	27,260	(1,790)
Charges for services	975,550	975,550	1,046,643	71,093
Fees, fines and forfeitures	550,250	550,250	608,063	57,813
Intergovernmental	36,692	36,692	93,460	56,768
Interest	1,500	1,500	1,746	246
Other	74,946	74,946	98,008	23,062
Total revenues	9,814,238	9,814,238	9,985,346	171,108
EXPENDITURES				
Current:				
General government:				
General administration	1,175,033	732,881	550,623	182,258
Public buildings	346,208	351,308	303,844	47,464
Tax commissioner	277,745	289,520	290,288	(768)
Elections	190,600	190,600	124,333	66,267
Tax assessor	276,240	276,240	243,820	32,420
Code enforcement	47,390	48,890	40,345	8,545
Tax equalizers	8,000	8,000	2,315	5,685
Total general government	2,321,216	1,897,439	1,555,568	341,871
Judicial:				
State and Superior Court	498,902	514,702	428,410	86,292
State Court Solicitor	43,725	43,725	42,682	1,043
Clerk of Superior Court	356,478	356,478	349,724	6,754
Probate Court	185,825	183,990	183,010	980
Magistrate Court	184,400	184,400	184,069	331
Total judicial	1,269,330	1,283,295	1,187,895	95,400
Public safety:				
Sheriff	1,315,709	1,354,436	1,382,609	(28,173)
Public safety director	150,867	138,727	141,811	(3,084)
Jail	1,119,850	1,302,700	1,390,950	(88,250)
Emergency management/civil defense	121,180	142,879	151,267	(8,388)
Ambulance service	1,117,090	1,102,049	1,174,358	(72,309)
Coroner	31,580	31,580	25,021	6,559
Animal control	87,360	87,360	76,552	10,808
Probation	70,172	70,172	70,657	(485)
Fire	40,000	127,563	133,562	(5,999)
Drug condemnations	10,000	17,640	17,640	-
Total public safety	$ 4,063,808	$ 4,375,106	$ 4,564,427	$ (189,321)

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, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Public works/Roads:				
Roads	$ 1,401,908	$ 1,548,830	$ 1,548,660	$ 170
County road shop	217,145	182,100	184,070	(1,970)
Total public works/Roads	1,619,053	1,730,930	1,732,730	(1,800)
Health and welfare:				
Senior center	9,200	8,650	4,497	4,153
School resource officer	53,490	55,277	55,815	(538)
Health department/other	150,390	150,390	144,723	5,667
Total health and welfare	213,080	214,317	205,035	9,282
Libraries and recreation:				
Recreation	59,500	60,725	70,000	(9,275)
Libraries	37,650	36,425	34,987	1,438
Total libraries and recreation	97,150	97,150	104,987	(7,837)
Conservation:				
Extension service	201,440	202,540	185,210	17,330
Forestry commission	18,800	18,800	18,536	264
Total conservation	220,240	221,340	203,746	17,594
Economic development	139,000	139,000	71,287	67,713
Debt service:				
Principal	25,325	25,325	25,474	(149)
Interest	2,460	2,460	2,304	156
Total debt service	27,785	27,785	27,778	7
Total expenditures	9,970,662	9,986,362	9,653,453	332,909
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(156,424)	(172,124)	331,893	504,017
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	5,000	5,000	73,471	68,471
Proceeds from capital lease	-	-	64,669	64,669
Transfers out	(15,800)	-	(83,295)	(83,295)
Total other financing sources (uses)	(10,800)	5,000	54,845	49,845
NET CHANGE IN FUND BALANCE	$ (167,224)	$ (167,124)	386,738	$ 553,862
FUND BALANCE, BEGINNING OF YEAR			1,977,371	
FUND BALANCE, END OF YEAR			$ 2,364,109	

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, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Insurance premium tax	$ -	$ -	$ 101,497	$ 101,497
Charges for services	723,436	703,436	594,605	(108,831)
Interest	10,000	10,000	16,754	6,754
Total revenues	733,436	713,436	712,856	(580)
EXPENDITURES				
Current:				
Sanitation	733,436	713,436	730,039	(16,603)
Total expenditures	733,436	713,436	730,039	(16,603)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(17,183)	(17,183)
FUND BALANCE, OCTOBER 1, 2012, AS RESTATED	(9,747)	(9,747)	(9,747)	-
FUND BALANCE, SEPTEMBER 30, 2013	$ (9,747)	$ (9,747)	$ (26,930)	$ (17,183)

See accompanying notes to the basic financial statements.

TATTNALL COUNTY, GEORGIA

COMPARATIVE STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2013 AND 2012

	2013	2012
ASSETS		
Cash	$ 448,582	$ 288,155
Other receivables	-	489
TOTAL ASSETS	$ 448,582	$ 288,644
LIABILITIES		
Due to other entities and individuals	448,582	288,644
TOTAL LIABILITIES	$ 448,582	$ 288,644

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, 2013. 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 position 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 position 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, 2013.

The statement of net position 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.

2009 Special Sales Tax Fund – This capital project fund accounts 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 position. 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 position. 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 outflows/inflows of resources, 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.

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, Deferred Inflows of Resources, and Net Position

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.

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 $320,000 at September 30, 2013.

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 position, except for any net residual amounts due between

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 position.

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, 2013, 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.

Capital Assets

The County reports general capital assets in the governmental activities column of the government-wide statement of net position 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outlflows /Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditures) until then. The County does not have any deferred outflows of resources as of September 30, 2013.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future periods(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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.

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 position, bond premiums and discounts are netted against bonds payable and bond issuance costs are expensed when incurred. On the government-wide statement of activities, bond premiums and discounts are amortized over the life of the bonds using the effective interest method.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 debt service expenditures.

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 position."

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Position – Net position represents the difference between assets and liabilities. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on its 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 position is reported as unrestricted.

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

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, 2013, in the following departments for the general fund:

	General Fund
Tax Commissioner	$ 768
Sheriff	28,173
Public Safety Director	3,084
Jail	88,250
EMA/civil defense	8,388
Ambulance service	72,309
Probation	485
Fire	5,999
County road shop	1,970
School resource officer	538
Recreation	9,275
Debt Service - Principal	149

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 and/or available fund balance.

	Overexpenditures
Solid waste fund	$ 16,603
Jail phone fund	114,414
Sheriff seized funds	52,333
Drug abuse treatment and education fund	2,752

Deficit Fund Balances

The 2009 Special Sales Tax Fund had a deficit fund balance of $408,878 at September 30, 2013 which the County plans to eliminate with future special sales tax revenue. The Solid Waste Fund had a deficit balance of $26,930 at September 30, 2013 which the County plans to eliminate with future revenue.

NOTE 3 – DEPOSITS AND INVESTMENTS

At September 30, 2013, the carrying amount of the County's deposits and investments was $2,878,896 and the bank balance was $2,970,787. Of the bank balance, $1,785,141 was covered by federal depository insurance and $1,185,646 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, 2013 was $77,042 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

At September 30, 2013, the bank deposits of the Tattnall County Development Authority totaling $77,939 were all insured or collateralized with securities held by the pledging financial institution's trust department or agent in the Tattnall County Development Authority's name.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2013, the bank deposits of the Tattnall County Board of Health totaling $788,744 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, 2013, property taxes were levied on October 1, 2012, mailed on October 15, 2012, and were due December 15, 2012.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2013, is as follows:

Receivable Fund	Payable Fund	Amount
General	DOT - Special Fund	$ 432
	Solid Waste Fund	371,957
	Telephone E-911 Fund	132,800
	2009 Special Sales Tax	442,449
Drug Abuse Treatment and	Jail Fund	4,318
Education Fund	Juvenille Probation Fees	946
T SPLOST Fund	General	13,775
Total		$966,677

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

Interfund balances at September 30, 2013 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, 2013, consisted of the following:

	Transfers From:		
Transfers To:	General Fund	2009 Special Sales Tax Fund	Total
Telephone E-911 Fund	$ 83,195	-	$ 83,195
T SPLOST Fund	100	-	100
DOT Special Fund	-	$ 1,000	1,000
Total	$ 83,295	$ 1,000	$ 84,295

The general fund transferred funds to the Telephone E-911 fund to help fund its operating deficit.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013 was as follows:

	Balance 10/1/2012	Additions	Deductions	Balance 9/30/2013
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 556,098	-	$ 14,000	$ 542,098
Construction in progress	331,759	$ 147,976	282,164	197,571
Total capital assets not being depreciated	887,857	147,976	296,164	739,669
Capital assets being depreciated:				
Buildings & improvements	15,288,126	282,164	35,000	15,535,290
Machinery and equipment	6,351,405	908,265	25,292	7,234,378
Infrastructure	2,479,917	577,768	-	3,057,685
Total capital assets being depreciated	24,119,448	1,768,197	60,292	25,827,353
Total capital assets	25,007,305	1,916,173	356,456	26,567,022
Accumulated depreciation:				
Buildings & improvements	4,225,669	387,175	35,000	4,577,844
Machinery and equipment	3,914,103	745,253	21,307	4,638,049
Infrastructure	600,795	106,491	-	707,286
Total accumulated depreciation	8,740,567	1,238,919	56,307	9,923,179
Governmental activities capital assets, net	$ 16,266,738	$ 677,254	$ 300,149	$ 16,643,843

NOTE 6 – CAPITAL ASSETS (Continued)

Governmental activities depreciation expense:

General government	$ 99,736
Judicial	55,971
Public safety	546,583
Sanitation	3,791
Roads	445,776
Health and welfare	50,325
Libraries and recreation	17,736
Economic development	14,175
Conservation	4,826
Total governmental activities depreciation expense	$ 1,238,919

	Balance 7/1/2012	Additions	Deductions	Balance 6/30/2013
Component unit - Tattnall County Board of Health:				
Capital assets being depreciated:				
Machinery and equipment	$ 170,010	-	-	$ 170,010
Accumulated depreciation:				
Machinery and equipment	155,907	$ 5,571	-	161,478
Component units capital assets, net	$ 14,103	$ (5,571)	-	$ 8,532

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 positions. The accrued landfill postclosure care costs at September 30, 2013 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.

The short term notes payable outstanding at September 30, 2013, consisted of the following:

$700,350 Line of credit with South Georgia Bank, payable on December 31, 2013, including interest at 3.72%	$ 700,350	Special Sales Tax Fund
	$ 700,350	

Short term debt activity for the year ended September 30, 2013, was as follows:

	Balance 10/01/12	Increases	Decreases	Balance 9/30/13
The Glennville Bank and Trust Company loan	$ 555,090	-	555,090	$ -
South Georgia Bank loan	812,973	700,350	812,973	700,350
	$ 1,200,200	700,350	1,368,063	$ 700,350

Long term notes payable at September 30, 2013 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, with a final payment of principal and interest payable on December 31, 2013. This loan had an outstanding balance of $127,281 at September 30, 2013.

NOTE 8 – NOTES PAYABLE (Continued)

As of September 30, 2013, annual debt service requirements to maturity are as follows:

Year ending	Governmental Activities		
September 30	Principal	Interest	Total
2014	$127,281	$ 973	$128,254

NOTE 9 – CAPITAL LEASES

The County has entered into lease agreements as lessee for financing the acquisition of various equipment costing $1,595,860. 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, 2013:

Year ending September 30	
2014	436,350
2015	373,065
2016	257,980
2017	55,061
2018	220,059
Total minimum lease payments	1,342,515
Less amount representing interest	93,157
Present value of future minimum lease payments	$ 1,249,358

NOTE 10 – CHANGES IN LONG-TERM DEBT

	Balance October 1, 2012	Additions	Reductions	Balance September 30, 2013	Amounts Due In One Year
Compensated absences payable	$ 299,971	-	$ 4,166	$ 295,805	$ 59,161
Accrued landfill postclosure care costs	168,000	-	14,000	154,000	14,000
Notes payable	312,930	-	185,649	127,281	127,281
Capital leases payable	907,628	$ 464,289	122,559	1,249,358	395,473
	$ 1,688,529	$ 464,289	$ 326,374	$ 1,826,444	$ 595,915

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, 2013, 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	$ 160,547	-	-	$ 12,507	$ 173,054
Restricted:					
Sheriff	-	-	-	31,451	31,451
Law library	-	-	-	60,304	60,304
Drug education	-	-	-	19,546	19,546
Jail	-	-	-	103,236	103,236
Juvenile probation	-	-	-	5,593	5,593
Roads	-	-	-	276,285	276,285
Total restricted	-	-	-	496,415	496,415
Assigned:					
Subsequent years' budget	260,500	-	-	-	260,500
Unassigned	1,943,062	$ (26,930)	$ (408,878)	(12,507)	1,494,747
Total fund balances	$ 2,364,109	$ (26,930)	$ (408,878)	$ 496,415	$ 2,424,716

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, 2013 (the most recent actuarial valuation date) was $3,100,778.

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 2013, the County's annual pension cost was $399,237. The County's required contribution was $398,514 and the actual contribution was $300,000. The required contribution was determined as part of an actuarial valuation performed as of January 1, 2013 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, 2013 was 10 years.

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

Annual required contribution	$ 398,514
Interest on net pension obligation	(10,328)
Amortization of net pension obligation	11,051
Annual pension cost	399,237
Contributions made	(300,000)
Increase in net pension obligation	99,237
Net pension obligation (asset), beginning of year	(133,271)
Net pension obligation (asset), end of year	$ (34,034)

F. Three-Year Trend Information

Year Ended 9/30	Annual Pension Cost	Actual County Contribution	Percentage Contributed	Net Pension Obligation (Asset)
2011	$ 358,064	369,325	103.1%	(128,262)
2012	385,224	390,233	101.3%	(133,271)
2013	399,237	300,000	75.1%	(34,034)

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)
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%
2013	4,245,904	5,525,538	76.8%	1,279,634	3,100,778	41.3%

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 RETIRMENT 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, 2013 were $43,239. 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 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, 2013, 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 – PRIOR PERIOD ADJUSTMENTS

The following prior period adjustment has been made to the fund balance of the Solid Waste fund in the fund level financial statements for accounts payable not recognized in the previous fiscal year.

	Solid Waste Fund
Fund balance, September 30, 2012, as previously reported	$ 28,293
Restatement for additional accounts payable	(38,040)
Fund balance, October 1, 2012, as restated	$ (9,747)

Beginning net position for governmental activities for the government-wide financial statements were decreased by the amount indicated above of $38,040.

Component Unit – Tattnall County Board of Health

A prior period adjustment was required to transfer remaining Family Planning fees reported in fiscal year 2012 in the Ware County Board of Health to the Tattnall County Board of Health.

Net position, June 30, 2012 as previously reported	$726,076
Transfer Family Planning fees to the County	6,858
Net Position, July 1, 2012, as restated	$732,934

NOTE 17 – SUBSEQUENT EVENTS

In February, 2014 the County issued $3,500,000 in General Obligation Sales Tax Bonds, Series 2014, primarily to fund the construction of fire stations throughout the County.

The principal and interest on the bonds are payable from SPLOST funds. The following are the principal and interest payments requirements with respect to the bonds for the years shown below.

Fiscal Year	Principal	Interest	Total Debt Service
2014	-	27,764	27,764
2015	575,000	53,649	628,649
2016	575,000	44,046	619,046
2017	580,000	34,402	614,402
2018	585,000	24,674	609,674
2019	590,000	14,863	604,863
2020	595,000	4,968	599,968
Total	3,500,000	204,366	3,704,366

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through May 6, 2014, the date the financial statements were available to be issued.

TATTNALL COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS

	SEPTEMBER 30, 2013	SEPTEMBER 30, 2012
ASSETS		
Cash	$ 1,226,027	$ 851,817
Receivables:		
Taxes	719,995	727,084
Intergovernmental	134,065	125,889
Due from other funds	947,638	883,612
Prepaid items	160,547	149,321
TOTAL ASSETS	$ 3,188,272	$ 2,737,723
LIABILITIES		
Accounts payable	$ 103,455	$ 119,784
Accrued payroll	48,475	-
Unearned revenue	1,362	1,362
Due to other funds	13,775	355
Total liabilities	167,067	121,501
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	657,096	638,851
FUND BALANCE		
Nonspendable	160,547	149,321
Assigned	260,500	167,224
Unassigned	1,943,062	1,660,826
Total fund balance	2,364,109	1,977,371
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 3,188,272	$ 2,737,723

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

	YEAR ENDED	
	SEPTEMBER 30, 2013	SEPTEMBER 30, 2012
REVENUES		
Taxes	$ 8,110,166	$ 7,880,776
Licenses and permits	27,260	30,508
Charges for services	1,046,643	1,023,073
Fees, fines and forfeitures	608,063	668,837
Intergovernmental	93,460	70,410
Interest	1,746	1,764
Other	98,008	90,915
Total revenues	9,985,346	9,766,283
EXPENDITURES		
Current:		
General government	1,555,568	1,581,892
Public safety	4,564,427	4,267,812
Judicial	1,187,895	1,281,163
Public works/Roads	1,732,730	1,811,837
Health and welfare	205,035	234,927
Libraries and recreation	104,987	95,654
Conservation	203,746	176,563
Economic development	71,287	17,755
Debt service		
Principal	25,474	23,688
Interest	2,304	1,158
Total expenditures	9,653,453	9,492,449
EXCESS OF REVENUES OVER EXPENDITURES	331,893	273,834
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	73,471	9,166
Proceeds from capital leases	64,669	51,995
Transfers in	-	7,500
Transfers out	(83,295)	(165,961)
Total other financing sources (uses)	54,845	(97,300)
NET CHANGE IN FUND BALANCE	386,738	176,534
FUND BALANCE, BEGINNING OF YEAR	1,977,371	1,800,837
FUND BALANCE, END OF YEAR	$ 2,364,109	$ 1,977,371

TATTNALL COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 228,797	$ 221,886	$ 450,683
Receivables:			
Intergovernmental	1,583	57,392	58,975
Other	115,021	-	115,021
Due from other funds	5,264	13,775	19,039
Prepaid Items	12,507	-	12,507
TOTAL ASSETS	$ 363,172	$ 293,053	$ 656,225
LIABILITIES			
Liabilities:			
Accounts payable	$ 4,978	$ 16,336	$ 21,314
Due to other funds	138,064	432	138,496
Total liabilities	143,042	16,768	159,810
FUND BALANCES			
Nonspendable	12,507	-	12,507
Restricted	220,130	276,285	496,415
Unassigned	(12,507)	-	(12,507)
Total fund balances	220,130	276,285	496,415
TOTAL LIABILITIES AND FUND BALANCES	$ 363,172	$ 293,053	$ 656,225

TATTNALL COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	-	$ 334,061	$ 334,061
Charges for services	$ 354,145	-	354,145
Fines and forfeitures	93,664	-	93,664
Intergovernmental	-	609,629	609,629
Interest	681	329	1,010
Other	23,124	1,757	24,881
Total revenues	471,614	945,776	1,417,390
EXPENDITURES			
Current:			
Judicial	7,507	-	7,507
Public safety	498,120	-	498,120
Capital outlay:			
Public safety	125,308	-	125,308
Roads	-	670,591	670,591
Total expenditures	630,935	670,591	1,301,526
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(159,321)	275,185	115,864
OTHER FINANCING SOURCES (USES)			
Transfers in	83,195	1,100	84,295
Transfers out	-		-
Total financing sources (uses)	83,195	1,100	84,295
NET CHANGE IN FUND BALANCES	(76,126)	276,285	200,159
FUND BALANCES, BEGINNING OF YEAR	296,256	-	296,256
FUND BALANCES, END OF YEAR	$ 220,130	$ 276,285	$ 496,415

TATTNALL COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2013

	Telephone E-911 Fund	Jail Fund	Law Library	Jail Phone Fund
ASSETS				
Cash	$ 8,326	$ 51,443	$ 60,304	$ 55,428
Receivables:				
Intergovernmental	-	683	-	-
Other	115,021	-	-	-
Due from other funds	-	-	-	-
Prepaid items	12,507	-	-	-
TOTAL ASSETS	$ 135,854	$ 52,126	$ 60,304	$ 55,428
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$ 3,054	-	-	-
Due to other funds	132,800	$ 4,318	-	-
Total liabilities	135,854	4,318	-	-
Fund balance :				
Nonspendable	$ 12,507	-	-	-
Restricted	-	47,808	$ 60,304	$ 55,428
Unassigned	(12,507)	-	-	
Total fund balance	-	47,808	60,304	55,428
TOTAL LIABILITIES AND FUND BALANCE	$ 135,854	$ 52,126	$ 60,304	$ 55,428

(Continued) - 1.

TATTNALL COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2013

	Sheriff's Seized Funds	Drug Abuse Treatment and Education Fund	Juvenile Probation Fees Fund	Total Nonmajor Special Revenue Funds
ASSETS				
Cash	$ 31,451	$ 15,306	$ 6,539	$ 228,797
Receivables:				
Intergovernmental	-	900	-	1,583
Other	-	-	-	115,021
Due from other funds	-	5,264	-	5,264
Prepaid items	-	-	-	12,507
TOTAL ASSETS	$ 31,451	$ 21,470	$ 6,539	$ 363,172
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	-	$ 1,924	-	$ 4,978
Due to other funds	-	-	$ 946	138,064
Total liabilities	-	1,924	946	143,042
Fund balance:				
Nonspendable	-	-	-	12,507
Restricted	$ 31,451	$ 19,546	5,593	220,130
Unassigned	-	-		(12,507)
Total fund balance	31,451	19,546	5,593	220,130
TOTAL LIABILITIES AND FUND BALANCE	$ 31,451	$ 21,470	$ 6,539	$ 363,172

(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, 2013

	Telephone E-911 Fund	Jail Fund	Law Library	Jail Phone Fund
REVENUES				
Charges for services	$ 354,145	-	-	-
Fees, fines and forfeitures	-	$ 44,685	$ 9,611	-
Interest	30	26	165	$ 286
Other	-	-	-	23,124
Total revenues	354,175	44,711	9,776	23,410
EXPENDITURES				
Current:				
Public safety	435,176	-	-	800
Judicial	-	-	7,507	-
Capital outlay:				
Public safety	2,194	-	-	113,614
Total expenditures	437,370	-	7,507	114,414
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(83,195)	44,711	2,269	(91,004)
OTHER FINANCING SOURCES (USES)				
Transfers in	83,195	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	83,195	-	-	-
NET CHANGE IN FUND BALANCE	-	44,711	2,269	(91,004)
FUND BALANCE, BEGINNING OF YEAR	-	3,097	58,035	146,432
FUND BALANCE, END OF YEAR	$ -	$ 47,808	$ 60,304	$ 55,428

(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, 2013

	Sheriff's Seized Funds	Drug Abuse Treatment and Education Fund	Juvenile Probation Fees Fund	Total Nonmajor Special Revenue Funds
REVENUES				
Charges for services	-	-	-	354,145
Fees, fines and forfeitures	$ 15,969	$ 20,944	2,455	93,664
Interest	159	15	-	681
Other	-	-	-	23,124
Total revenues	16,128	20,959	2,455	471,614
EXPENDITURES				
Current:				
Public safety	42,833	17,777	1,534	498,120
Judicial	-	-	-	7,507
Capital outlay:				
Public safety	9,500	-	-	125,308
Total expenditures	52,333	17,777	1,534	630,935
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(36,205)	3,182	921	(159,321)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	83,195
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	83,195
NET CHANGE IN FUND BALANCE	(36,205)	3,182	921	(76,126)
FUND BALANCE, BEGINNING OF YEAR	67,656	16,364	4,672	296,256
FUND BALANCE, END OF YEAR	$ 31,451	$ 19,546	$ 5,593	$ 220,130

(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, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)	2012 Actual
REVENUES				
Charges for services	$ 343,000	$ 354,145	$ 11,145	$ 296,251
Interest	100	30	(70)	73
Miscellaneous	51,675	-	(51,675)	9
Total revenues	394,775	354,175	(40,600)	296,333
EXPENDITURES				
Current:				
Public safety	442,575	435,176	7,399	454,878
Capital outlay:				
Public safety	2,200	2,194	6	3,687
Total expenditures	444,775	437,370	7,405	458,565
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(50,000)	(83,195)	(33,195)	(162,232)
OTHER FINANCING SOURCES				
Transfers in	50,000	83,195	33,195	162,232
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	-	-	-	-

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, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)	2012 Actual
REVENUES				
Fees, fines and forfeitures	$ 45,000	$ 44,685	$ (315)	$ 43,026
Interest	-	26	26	5
Other	-	-	-	-
Total revenues	45,000	44,711	(289)	43,031
EXPENDITURES				
Current outlay:				
Public safety	45,000	-	45,000	788
Capital outlay:				
Public safety	-	-	-	37,500
Total expenditures	45,000	-	45,000	38,288
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	44,711	44,711	4,743
FUND BALANCE, BEGINNING OF YEAR	3,097	3,097	-	(1,646)
FUND BALANCE, END OF YEAR	$ 3,097	$ 47,808	$ 44,711	$ 3,097

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, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)	2012 Actual
REVENUES				
Fees, fines and forfeitures	$ 10,000	$ 9,611	$ (389)	$ 11,070
Interest	500	165	(335)	263
Total revenues	10,500	9,776	(724)	11,333
EXPENDITURES				
Current:				
Judicial	13,000	7,507	5,493	16,451
Capital outlay:				
Judicial	7,500	-	7,500	2,730
Total expenditures	20,500	7,507	12,993	19,181
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,000)	2,269	12,269	(7,848)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	(7,500)
NET CHANGE IN FUND BALANCE	(10,000)	2,269	12,269	(15,348)
FUND BALANCE, BEGINNING OF YEAR	58,035	58,035	-	73,383
FUND BALANCE, END OF YEAR	$ 48,035	$ 60,304	$ 12,269	$ 58,035

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, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)	2012 Actual
REVENUES				
Telephone commissions	$ 18,000	$ 23,124	$ 5,124	$ 18,164
Interest	-	286	286	2,362
Total revenues	18,000	23,410	5,410	20,526
EXPENDITURES				
Current:				
Public safety	-	800	(800)	24,023
Capital outlay:				
Public safety	-	113,614	(113,614)	56,574
Total expenditures	-	114,414	(114,414)	80,597
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	18,000	(91,004)	(109,004)	(60,071)
FUND BALANCE, BEGINNING OF YEAR	146,432	146,432	-	206,503
FUND BALANCE, END OF YEAR	$ 164,432	$ 55,428	$ (109,004)	$ 146,432

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, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)	2012 Actual
REVENUES				
Fees, fines and forfeitures	$ 8,000	$ 15,969	$ 7,969	$ 40,289
Interest	-	159	159	87
Total revenues	8,000	16,128	8,128	40,376
EXPENDITURES				
Current:				
Public safety	-	42,833	(42,833)	19,508
Capital outlay:				
Public safety	-	9,500	(9,500)	-
Total expenditures	-	52,333	(52,333)	19,508
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,000	(36,205)	(44,205)	20,868
FUND BALANCE, BEGINNING OF YEAR	67,656	67,656	-	46,788
FUND BALANCE, END OF YEAR	$ 75,656	$ 31,451	$ (44,205)	$ 67,656

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, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)	2012 Actual
REVENUES				
Fees, fines and forfeitures	$ 15,000	$ 20,944	$ 5,944	$ 13,058
Interest	25	15	(10)	26
Total revenues	15,025	20,959	5,934	13,084
EXPENDITURES				
Current:				
Public safety	15,025	17,777	(2,752)	16,917
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	3,182	3,182	(3,833)
FUND BALANCE, BEGINNING OF YEAR	16,364	16,364	-	20,197
FUND BALANCE, END OF YEAR	$ 16,364	$ 19,546	$ 3,182	$ 16,364

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, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)	2012 Actual
REVENUES				
Fees, fines and forfeitures	$ 8,500	$ 2,455	$ (6,045)	$ 2,375
Intergovernmental	-	-	-	7,460
Total revenues	8,500	2,455	(6,045)	9,835
EXPENDITURES				
Current:				
Public safety	8,500	1,534	6,966	9,910
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	921	921	(75)
FUND BALANCE, BEGINNING OF YEAR	4,672	4,672	-	4,747
FUND BALANCE, END OF YEAR	$ 4,672	$ 5,593	$ 921	$ 4,672

TATTNALL COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2013

	T SPLOST Fund	DOT Special Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Cash	$ 221,056	$ 830	$ 221,886
Intergovernmental receivable	57,392	-	57,392
Due from other funds	13,775	-	13,775
TOTAL ASSETS	$ 292,223	$ 830	$ 293,053
LIABILITIES AND FUND BALANCE			
Accounts payable	$ 16,336	-	$ 16,336
Due to other funds	-	$ 432	432
Total liabilities	16,336	432	16,768
Fund balance - Restricted	275,887	398	276,285
TOTAL LIABILITIES AND FUND BALANCE	$ 292,223	$ 830	$ 293,053

TATTNALL COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	T SPLOST Fund	DOT Special Fund	Total Nonmajor Capital Projects Funds
REVENUES			
Sales taxes	$ 334,061	-	$ 334,061
Intergovernmental	34,362	$ 575,267	609,629
Interest	188	141	329
Other	-	1,757	1,757
Total revenues	368,611	577,165	945,776
EXPENDITURES			
Capital outlay:			
Roads	92,824	577,767	670,591
Total expenditures	92,824	577,767	670,591
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	275,787	(602)	275,185
OTHER FINANCING SOURCES			
Transfers in	100	1,000	1,100
Total other financing sources	100	1,000	1,100
NET CHANGE IN FUND BALANCES	275,887	398	276,285
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	$ 275,887	$ 398	$ 276,285

TATTNALL COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2013

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Probation Office	Totals
ASSETS							
Cash	$ 247,877	$ 13,029	$ 64,454	$ 29,737	$ 74,063	$ 19,422	$ 448,582
Due from others	-	-	-	-	-	-	-
TOTAL ASSETS	$ 247,877	$ 13,029	$ 64,454	$ 29,737	$ 74,063	$ 19,422	$ 448,582
LIABILITIES							
Due to other entities and individuals	$ 247,877	$ 13,029	$ 64,454	$ 29,737	$ 74,063	$ 19,422	$ 448,582
TOTAL LIABILITIES	$ 247,877	$ 13,029	$ 64,454	$ 29,737	$ 74,063	$ 19,422	$ 448,582

TATTNALL COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Balance September 30, 2012	Additions	Deductions	Balance September 30, 2013
Tax Commissioner				
Assets				
Cash	$ 120,465	$ 13,512,709	$ 13,385,297	$ 247,877
Due from others	489	-	489	-
	120,954	13,512,709	13,385,786	247,877
Liabilities				
Due to other entities and individuals	$ 120,954	$ 13,512,709	$ 13,385,786	$ 247,877
Probate Court				
Assets				
Cash	$ 13,372	$ 66,906	$ 67,249	$ 13,029
Liabilities				
Due to other entities and individuals	$ 13,372	$ 66,906	$ 67,249	$ 13,029
Clerk of Courts				
Assets				
Cash	$ 40,145	$ 894,613	$ 870,304	$ 64,454
Liabilities				
Due to other entities and individuals	$ 40,145	$ 894,613	$ 870,304	$ 64,454
Magistrate Court				
Assets				
Cash	$ 26,472	$ 244,542	$ 241,277	$ 29,737
Liabilities				
Due to other entities and individuals	$ 26,472	$ 244,542	$ 241,277	$ 29,737
Sheriff				
Assets				
Cash	$ 75,794	$ 698,697	$ 700,428	$ 74,063
Liabilities				
Due to other entities and individuals	$ 75,794	$ 698,697	$ 700,428	$ 74,063
Probation Office				
Assets				
Cash	$ 17,763	$ 253,140	$ 251,481	$ 19,422
Liabilities				
Due to other entities and individuals	$ 17,763	$ 253,140	$ 251,481	$ 19,422
Total Agency Funds				
Assets				
Cash	$ 294,011	$ 15,670,607	$ 15,516,036	$ 448,582
Due from others	489	-	489	-
	$ 294,500	$ 15,670,607	$ 15,516,525	$ 448,582
Liabilities				
Due to other entities and individuals	$ 294,500	$ 15,670,607	$ 15,516,525	$ 448,582

TATTNALL COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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	$ 1,553,885	$ 335,230	$ 1,889,115	60%
Jail and other buildings	3,360,000	3,360,000	2,729,000	218,581	2,947,581	88%
Emergency services	1,050,000	1,050,000	721,113	219,756	940,869	90%
Recreation	420,000	420,000	262,853	72,648	335,501	80%
City of Cobbtown	100,800	100,800	63,084	17,436	80,520	80%
City of Collins	176,400	176,400	110,398	30,512	140,910	80%
City of Glennville	1,512,000	1,512,000	946,271	261,534	1,207,805	80%
City of Manassas	25,200	25,200	15,772	4,359	20,131	80%
City of Reidsville	705,600	705,600	441,593	122,049	563,642	80%
	$ 10,500,000	$ 10,500,000	$ 6,843,969	$ 1,282,105	$ 8,126,074	77%

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	$ 1,695,964
Transfers out	1,000
Less:	
Intergovernmental revenue	(7,588)
Charges for services	(7,651)
Proceeds from capital leases	(399,620)
Total current year expenditures per above	$ 1,282,105

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

To the Board of Commissioners
Tattnall County, Georgia

We have audited, in accordance with the 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, the 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, 2013, and the related notes to the financial statements, which collectively comprise Tattnall County, Georgia's basic financial statements, and have issued our report thereon dated May 6, 2014. Our report includes a reference to other auditors who audited the financial statements of the Tattnall County Board of Health, a component unit, as described in our report on Tattnall County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tattnall County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Tattnall County, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and 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 2013-1 through 2013-4 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 deficiency described below as 2013-5 to be a significant deficiency.

2013-1 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 fund 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.

2013-2 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 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 these findings, and we will implement procedures to make sure all accruals are included in the year end financial statements.

2013-3 Recording the activity of cash accounts by other departments

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, and jail petty cash 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.

2013-4 Accounting for capital leases

During our audit we noted new capital leases for $464,289 for road equipment and an ambulance 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.

2013-5 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 asset records. The County should have procedures in place that require each department and/or accounts payable personnel to forward any information 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tattnall County, Georgia's financial statements are free from 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, Georgia's Response to Findings

Tattnall County, Georgia's response to the findings indentified in our audit is described above. Tattnall County, Georgia's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thigpen, Lanier, Westerfield & Deal

Statesboro, Georgia
May 6, 2014