

CANDLER COUNTY, GEORGIA

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2010
AND
INDEPENDENT AUDITOR'S REPORT

HERMAN MONGIN
CERTIFIED PUBLIC ACCOUNTANT

CANDLER COUNTY, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of Candler County, Georgia:

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Candler County, Georgia (the "County"), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Candler County, Georgia's elected officials and management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Candler County Board of Health, a component unit. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Candler County Board of Health, is based on the report of the other auditor.

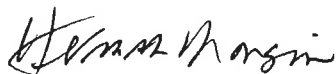
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Candler County, Georgia, as of June 30, 2010, the respective changes in financial position, and the respective budgetary comparisons for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 21, 2011 on our consideration of Candler County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Note 1, the management's discussion and analysis is not included as required supplementary information for the year ended June 30, 2010.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Candler County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. The combining and individual fund financial statements and schedules, including the Schedule of Expenditures of Special Sales Tax Proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



March 21, 2011

CANDLER COUNTY, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2010

	----- Primary Government -----			-Component Unit-
	Governmental Activities	Business-Type Activities	Total	Board Health
<u>ASSETS</u>				
Cash	\$ 5,573,458	\$ 55,771	\$ 5,629,229	\$ 484,854
Receivables (net of allowance for uncollectibles):				
Taxes	820,528		820,528	
Accounts	402,272	500	402,772	16,129
Tax Commissioner	114,124		114,124	
Accrued interest receivable	9,029		9,029	
Prepaid expenses	47,529		47,529	
Capital assets:				
Land and other non-depreciable assets	145,658	13,468	159,126	
Other capital assets, net of depreciation	6,437,833	465,035	6,902,868	2,883
Total assets	<u>13,550,431</u>	<u>534,774</u>	<u>14,085,205</u>	<u>503,866</u>
<u>LIABILITIES AND NET ASSETS</u>				
LIABILITIES:				
Accounts payable	153,340		153,340	
Payroll withholdings	45,469		45,469	
Deferred revenues	3,665		3,665	
Current portion of long-term debt:				
Notes	47,687	18,750	66,437	
Accrued interest payable	2,337		2,337	
Long-term debt, net of current portion:				
Notes	231,039	350,000	581,039	
Landfill closure and post-closure costs	1,644,580		1,644,580	
Compensated absences	103,217		103,217	18,904
Total liabilities	<u>2,231,334</u>	<u>368,750</u>	<u>2,600,084</u>	<u>18,904</u>
NET ASSETS:				
Invested in capital assets, net of related debt	6,304,767	109,753	6,414,520	2,883
Restricted for:				
Landfill closure costs	624,250		624,250	
Prior year program income				129,230
Capital projects	1,346,062		1,346,062	
Unrestricted	3,044,018	56,271	3,100,289	352,849
TOTAL NET ASSETS	<u>\$11,319,097</u>	<u>\$ 166,024</u>	<u>\$11,485,121</u>	<u>\$ 484,962</u>

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business type Activities	TOTAL	Component Unit Board of Health
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----Net Revenues (expenses) and Changes in Net Assets-----

Primary Government:								
Governmental Activities:								
General government	\$1,124,706	\$ 73,744			\$(1,050,962)		\$(1,050,962)	
Judiciary	619,292	177,079			(442,213)		(442,213)	
Public safety	2,155,214	1,293,950		\$ 5,000	(856,264)		(856,264)	
Health and welfare	129,442				(129,442)		(129,442)	
Cultural and recreation	143,751	2,763			(140,988)		(140,988)	
Public works	1,695,010	887,058		9,477	(708,250)		(708,250)	
Housing and development	195,012				(195,012)		(195,012)	
Interest on long-term debt	19,555				(19,555)		(19,555)	
Intergovernmental	593,567				(593,567)		(593,567)	
Total	<u>6,675,549</u>	<u>2,434,594</u>		<u>14,477</u>	<u>(4,136,253)</u>		<u>(4,136,253)</u>	
Business-type Activities:								
Public Building Authority	10,396	37,725				\$ 27,329	27,329	
Total primary government	<u>\$6,685,945</u>	<u>\$2,472,319</u>		<u>\$ 14,477</u>	<u>(4,136,253)</u>	<u>27,329</u>	<u>(4,108,924)</u>	<u>\$ 26,108</u>
Component Unit:								
Public Health	\$ 428,320	\$ 129,230		\$325,198				

General Revenues:		Beginning	Ending	Change in net assets
Property taxes	2,329,152	10,395,718	138,695	10,534,413
Sales taxes	2,010,087	\$11,319,097	\$ 166,024	\$11,485,121
Interest and fees on taxes	172,085			
Other taxes	213,947			
Insurance premium tax	266,464			
Interest	42,113			
Other	26,984			
Loss on disposal of equipment	(1,200)			
Total general revenues	<u>5,059,632</u>			
Change in net assets	<u>923,379</u>		<u>27,329</u>	<u>950,708</u>
Net assets - beginning		<u>10,395,718</u>		
Net assets - ending			<u>\$ 166,024</u>	<u>10,534,413</u>
				<u>\$11,485,121</u>
				<u>458,854</u>
				<u>\$ 484,962</u>

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
GOVERNMENTAL FUNDS

BALANCE SHEET
 JUNE 30, 2010

	General	Sales Tax Construction Fund	Other	Governmental Funds
<u>ASSETS</u>				
Cash	\$3,838,017	\$1,521,158	\$ 214,283	\$5,573,458
Receivables (net of allowance for uncollectibles):				
Taxes	820,528			820,528
Accounts	276,847	108,311	17,114	402,272
Tax collector	114,124			114,124
Interest	8,247		782	9,029
Prepaid insurance	47,529			47,529
Due from other funds	<u>190,328</u>	<u>(190,328)</u>		
TOTAL	<u>\$5,295,620</u>	<u>\$1,439,141</u>	<u>\$ 232,179</u>	<u>\$6,966,940</u>

LIABILITIES AND FUND BALANCE

Liabilities:				
Accounts payable	\$ 59,262	\$ 93,079	\$ 999	\$ 153,340
Payroll withholdings	45,469			45,469
Deferred revenue	758,203			758,203
Due to other funds	9,035		(9,035)	
Total	<u>871,969</u>	<u>93,079</u>	<u>(8,036)</u>	<u>957,012</u>
Fund Balance:				
Unreserved	3,751,872		240,215	3,992,087
Reserved:				
Capital projects		1,346,062		1,346,062
Landfill closure costs	624,250			624,250
Prepaid insurance	47,529			47,529
Total	<u>4,423,651</u>	<u>1,346,062</u>	<u>240,215</u>	<u>6,009,928</u>
TOTAL	<u>\$5,295,620</u>	<u>\$1,439,141</u>	<u>\$ 232,179</u>	<u>\$6,966,940</u>

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA

RECONCILIATION OF NET ASSETS - GOVERNMENTAL FUNDS IN THE STATEMENT OF NET ASSETS
TO TOTAL FUND BALANCE - GOVERNMENTAL FUNDS ON THE BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2010

Fund balance - total governmental funds	\$ 6,009,928
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	6,583,491
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	754,538
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Notes payable	(278,726)
Accrued interest payable	(2,337)
Compensated absences	(103,217)
Landfill closure and post closure costs	<u>(1,644,580)</u>
Net assets of governmental activities	<u>\$11,319,097</u>

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2010

	General	Sales Tax Construction Fund	Other	Governmental Funds
REVENUES:				
Taxes	\$3,380,968	\$1,349,015		\$4,729,983
Licenses and permits	24,110			24,110
Interest and fees on taxes	195,486			195,486
Court fines and fees	351,266			351,266
Sheriff fees and costs	49,292			49,292
State and federal grants	80,765		\$ 14,460	95,225
Other	1,851,919	1,565	132,634	1,986,118
Total revenue	<u>5,933,806</u>	<u>1,350,580</u>	<u>147,094</u>	<u>7,431,480</u>
EXPENDITURES:				
Current:				
General government	1,005,170	70		1,005,240
Judiciary	618,787			618,787
Public safety	1,919,241		118,648	2,037,889
Health and welfare	129,442			129,442
Cultural and recreation	143,751			143,751
Public works	1,542,000			1,542,000
Housing and Development	190,854			190,854
Total	<u>5,549,245</u>	<u>70</u>	<u>118,648</u>	<u>5,667,963</u>
Intergovernmental		593,567		593,567
Capital outlays	124,167	29,261	14,460	167,888
Debt Service:				
Principal	771,698			771,698
Interest	25,633			25,633
Total	<u>797,331</u>			<u>797,331</u>
Total expenditures	<u>6,470,743</u>	<u>622,898</u>	<u>133,108</u>	<u>7,226,749</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(536,937)</u>	<u>727,682</u>	<u>13,986</u>	<u>204,731</u>
OTHER FINANCIAL SOURCES (USES):				
Loan proceeds	81,759			81,759
NET CHANGE IN FUND BALANCE	(455,178)	727,682	13,986	286,490
FUND BALANCE, BEGINNING OF YEAR	<u>4,878,829</u>	<u>618,380</u>	<u>226,229</u>	<u>5,723,438</u>
FUND BALANCE, END OF YEAR	<u>\$4,423,651</u>	<u>\$1,346,062</u>	<u>\$240,215</u>	<u>\$6,009,928</u>

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2010

Net change in fund balances - Total Governmental Funds \$ 286,490

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

Governmental funds report capital outlays as expenditures.
However, in the statement of activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Capital assets reported as capital outlay in
governmental fund statements \$153,301

Depreciation expense reported in the statement
of activities 438,655

Amount by which depreciation is
more than capital outlays in current period (285,354)

Repayment of principal on long-term debt is reported in the
governmental funds as an expenditure, but is reported as a
reduction in long-term debt in the statement of net assets
and does not affect the statement of activities. The amount
of long-term debt principal payments in the current year is 771,698

Proceeds of long-term debt are recorded as other financing
sources in the governmental funds; however, amounts are
capitalized as long-term liabilities in the
Statement of Activities (81,759)

Revenues in the statement of activities that do not provide
financial resources are not reported as revenues in the funds.
The amount of deferred revenues recognized as revenue in the
statement of activities is as follows:

Property taxes 89,667
Emergency Medical Services Ambulance Fees 43,346
Landfill fees 35,637

Some expenses reported in the statement of activities do not
require the use of current financial resources and therefore
are not reported as expenditures in governmental funds:

Accrued interest expense 6,079
Compensated absences (4,466)
Landfill closure and post closure costs 62,041

Change in Net assets of Governmental Activities \$ 923,379

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes	\$3,363,310	\$3,380,968	\$ 27,658
Licenses	29,431	24,110	(5,321)
Interest & fees on taxes	203,000	195,486	(7,514)
Court fines and fees . .	384,800	351,266	(33,534)
Sheriff fees & cost . . .	42,100	49,292	7,192
State & federal grants	74,880	80,765	5,885
Other	<u>1,835,781</u>	<u>1,851,919</u>	<u>16,138</u>
Total	<u>5,923,302</u>	<u>5,933,806</u>	<u>10,504</u>
EXPENDITURES:			
General government . . .	803,883	716,787	87,096
Judiciary	654,755	609,871	44,884
Police protection	703,060	607,457	95,603
Detention Center	572,150	432,251	139,899
Public buildings	70,730	58,966	11,764
Welfare	10,000	6,834	3,166
Health	105,320	105,389	(69)
Agricultural assistance	85,239	81,203	4,036
Roads and bridges	1,017,126	901,218	115,908
Garbage & trash disposal	352,327	336,587	15,740
Garbage & trash collection	319,724	304,195	15,529
Community Center	20,198	10,519	9,679
Ambulance service	851,651	807,780	43,871
Other governmental services and unallocated expenditures	<u>1,066,830</u>	<u>1,491,686</u>	<u>(424,856)</u>
Total	<u>6,632,993</u>	<u>6,470,743</u>	<u>162,250</u>
EXCESS OF REVENUES OVER EXPENDITURES	(709,691)	(536,937)	172,754
OTHER FINANCING SOURCES:			
Loan proceeds	<u> </u>	<u>81,759</u>	<u>81,759</u>
NET CHANGE IN FUND BALANCE	(709,691)	455,178	254,513
FUND BALANCE, BEGINNING OF YEAR AS RESTATED	<u>4,878,829</u>	<u>4,878,829</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$4,169,138</u>	<u>\$4,423,651</u>	<u>\$ 254,513</u>

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
E-911 FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts Original and Final	Actuals Amounts	Variance with Final Budget Favorable (Unfavorable)
REVENUES:			
Surcharge . . .	\$149,447	\$130,589	\$(18,858)
Interest . . .	<u>6,182</u>	<u>2,045</u>	<u>(4,137)</u>
Total . . .	<u>155,629</u>	<u>132,634</u>	<u>(22,995)</u>
EXPENDITURES:			
Contractual services . . .	124,664	118,328	6,336
Travel . . .	480	320	160
Capital outlays . . .	<u>30,485</u>	<u> </u>	<u>30,485</u>
Total . . .	<u>155,629</u>	<u>118,648</u>	<u>36,981</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES . . .		13,986	13,986
FUND BALANCE, BEGINNING OF YEAR	<u>226,229</u>	<u>226,229</u>	<u> </u>
FUND BALANCE, END OF YEAR . . .	<u>\$226,229</u>	<u>\$240,215</u>	<u>\$ 13,986</u>

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
PROPRIETARY FUND - PUBLIC BUILDING AUTHORITY

STATEMENT OF NET ASSETS
 JUNE 30, 2010 AND 2009

	June 30, 2010	2009
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 55,771	\$ 43,546
Rents receivable	500	
Total	<u>56,271</u>	<u>43,546</u>
PROPERTY AND EQUIPMENT:		
Land	13,468	13,468
Building and other improvements	509,784	509,784
Equipment	<u>7,153</u>	<u>7,153</u>
Total	530,405	530,405
Less accumulated depreciation	<u>51,902</u>	<u>41,506</u>
Property and equipment - net	<u>478,503</u>	<u>488,899</u>
Total assets	<u>534,774</u>	<u>532,445</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES:		
Current portion - long-term notes	<u>18,750</u>	<u>18,750</u>
LONG-TERM DEBT:		
Note payable (less current portion shown above)	<u>350,000</u>	<u>375,000</u>
Total liabilities	<u>368,750</u>	<u>393,750</u>
<u>NET ASSETS</u>		
INVESTED IN CAPITAL ASSETS - NET OF RELATED DEBT	109,753	95,149
UNRESTRICTED	<u>56,271</u>	<u>43,546</u>
TOTAL NET ASSETS	<u>\$ 166,024</u>	<u>138,695</u>

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
PROPRIETARY FUND - PUBLIC BUILDING AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND NET ASSETS
 FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	Year Ended June 30,	
	2010	2009
OPERATING REVENUES:		
Rents	\$ 37,725	\$ 37,725
OPERATING EXPENSES:		
Depreciation	10,396	10,396
OPERATING INCOME AND CHANGES IN NET ASSETS	27,329	27,329
NET ASSETS, BEGINNING OF YEAR	138,695	111,366
NET ASSETS, END OF YEAR	\$ 166,024	\$ 138,695

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
PROPRIETARY FUND - PUBLIC BUILDING AUTHORITY

STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
 FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	Year Ended June 30,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers, users and grants	\$ 37,225	\$ 38,225
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal payments on long-term debt . .	(25,000)	(25,000)
NET INCREASE IN CASH	12,225	13,225
CASH, BEGINNING OF YEAR	43,546	30,321
CASH, END OF YEAR	\$ 55,771	\$ 43,546
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Income from operations	27,329	27,329
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Depreciation	10,396	10,396
Decrease (increase) in operating assets:		
Rents receivable	(500)	500
Total	9,896	10,896
NET CASH PROVIDED BY OPERATING ACTIVITIES .	\$ 37,225	\$ 38,225

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2010

Agency Funds

ASSETS

Cash \$ 415,568

LIABILITIES

Due to others:
Governmental units, retirement plans, etc. \$ 415,568

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIANOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Candler County, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to Government units, except that the County did not include a management discussion and analysis (MD&A) section.

The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the County are described below.

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain other significant changes in the Statement include the following.

For the past and current fiscal years the financial statements include:

1. Financial statements prepared using full accrual accounting for all of the County's activities.
2. A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The County elected to implement the general provisions of the Statement in the past fiscal year and plans to include the MD&A section in future years.

A. THE REPORTING ENTITY

Candler County was incorporated under the laws of the State of Georgia and operates under an elected Board of Commissioners form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Candler County (the primary government) and its component unit. The component unit discussed below is included in the reporting entity because the Candler County Board of Commissioners, directly or indirectly, appoints a majority of the component unit's board members and a financial benefit/burden relationship exists between the component unit and the County.

In conformity with generally accepted accounting principles, the financial statements of the component unit have been included as a discretely presented component unit. The component unit column in the

government-wide financial statements includes the financial data for the County's component unit, as reflected in their most recent audited financial statements. The fiscal year end of the component unit is June 30. Financial information of the component unit is reported in a column separate from the County's financial information to emphasize that it is legally separate from the County.

The Candler County Board of Health manages the local health department located in the County. It is governed by a seven member board that is composed of the following: the chief executive officer of the County, three members appointed by the County, the chief executive officer of the City of Metter, one member appointed by the City of Metter, and the County's superintendent of schools.

Complete financial statements of the discretely presented component unit can be obtained directly from their administrative office. The address for the administrative office is as follows: Candler County Board of Health, North Rountree Street, Metter, Georgia 30439.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net assets, and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenues. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customer or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they will be collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The **General Fund** is the general operating fund of Candler County, Georgia. It is used to account for all financial resources of the general Government, except those required to be accounted for in another fund.

The **Sales Tax Construction Fund** accounts for the acquisition of fixed assets or construction of major capital projects not being financed by the General Fund.

The County reports the following major enterprise fund:

The **Public Building Authority** accounts for activities for which a fee is charged to external users for goods or services, including public building rental activities.

The County also reports the following fund types:

The **Capital Projects Fund (CDBG)** - This fund accounts for the construction of capital projects being financed by a CDBG grant.

The **9-11 Fund** accounts for the activities of the County's emergency 911 systems for Candler County residents.

Agency Funds - These funds account for taxes and licenses collected on behalf of the County and other taxing entities; funds received and disbursed by the Clerk's Office in a fiduciary capacity; funds received and disbursed by the Sheriff's Office in a fiduciary capacity; and various other funds and fees received and disbursed in a fiduciary capacity.

GASB 34 eliminates the presentation of *Account Groups*, but provides for these records to be maintained and used to account for capital assets and long-term liabilities that are not reflected on the balance sheet of Governmental type funds due to the current financial resources measurement focus that they use.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Governmental activities have been consolidated in the government-wide financial statements. Total governmental funds have been combined with capital assets and long term liabilities. The effect of interfund activity has been removed from the government-wide financial statements. Due to/from other funds have been eliminated as well as operating transfers between funds.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating

grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for leasing of real estate. Operating expenses for enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. Deposits and investments - Cash includes amounts in both interest-bearing and non-interest-bearing demand deposits. State statutes authorize the Government to invest in obligations of the U.S. Treasury, obligations of the State of Georgia or any other states, obligations fully insured or guaranteed by the United States government or governmental agency, Local Government Investment Pool, commercial paper, corporate bonds, obligation of other political subdivisions of the State of Georgia, and repurchase agreements. Any bank deposit in excess of the total FDIC insured amount must be secured by an equivalent amount of State or U.S. obligations.

Investments are recorded at cost or amortized cost plus accrued interest, which approximates market value.

2. Receivables and Payables - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The current portion of these interfund receivables and payables are classified as "due from other funds" or "due to other funds" in the governmental funds.

Non-current portions of long-term interfund loans receivable/payable are reported as "advances to other funds" or "advances from other funds". Advances receivable in the Governmental funds are offset equally by a fund balance reserve account, which indicates that they do not

constitute expendable available financial resources and therefore are not available for appropriation and are not expendable available financial resources.

Property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 10 percent of outstanding property taxes at June 30, 2010. Property taxes are levied as of January 1, on property values assessed as of the same date.

Collections of property taxes are made throughout the year. They become delinquent after December 20. During the current fiscal year, the County levied property taxes on November 12, 2009.

3. **Prepaid Items** - For prepaid expenditures in the government-wide and fund financial statements, the County reports the expenditures during the benefiting period.

4. **Capital Assets** - Capital assets, which include property and plant equipment are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. GASB statement 37 prohibits the capitalization of interest related to assets constructed for use in governmental activities. Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Furniture and fixtures	10
Machinery and equipment	5 - 15
Vehicles	4 - 5
Site improvements	10 - 35

5. **Compensated Absences** - It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. **Long-term Obligations** - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. **Fund Equity** - Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

8. **Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The annual budget is the financial plan for the operation of Candler County, Georgia for the ensuing annual period. The budget process provides for a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the Government. Candler County budgets are adopted on a basis generally consistent with GAAP; except that encumbrances are treated as budgeted expenditures in the year the commitment to purchase is incurred. Annual appropriated budgets are adopted for the general fund, and the debt special revenue fund. All unencumbered appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds.

The Candler County budget process begins in April with the department and agency heads submitting their departmental budgets. The County administrator formulates and remits the budget to all members of the Candler County Commission. The County Administrator and County Commissioners conduct budget hearings with all departments and agencies with any unresolved differences being presented to the Board of Commissioners. After review by the Commissioners, a final budget is approved when the budget resolution is adopted.

No increase in the departmental budget for the County may be made without the approval of the Board of Commissioners and amendment to the budget. Mid-year budget amendments are presented, where necessary, for adoption by the Commissioners. The general fund is subject to budgetary control on a department basis. During the year, the budget was amended by the method described above.

Unencumbered appropriations in the annual operating budget lapse at fiscal year end while encumbered appropriations are paid from reserved fund balances. When the County's expenditures reach the authorization provided by the operating budget, the Board of Commissioners approves supplemental appropriations.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting-under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not utilized in the Governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services are yet to be received.

B. Excess of Expenditures over Appropriations

The General Fund did incur expenditures in excess of appropriations for the year ended June 30, 2010 as follows:

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Health	\$ 105,320	\$ 105,389	\$ 69
Other	\$ 106,638	\$1,491,686	\$424,856

The overrun in the other expenditures was related to the payment of \$683,217 on the USDA loan.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - At year-end, the carrying amount of the primary Government's deposits were \$4,047,330 and the bank balances were \$4,191,912. Of the bank balance, \$722,578 was covered by federal depository insurance and \$3,469,334 of the balance was covered by collateral held in the pledging institutions's trust departments in the Government's name. Statutes require collateral at 110% of pledged deposits to be held in the Government's name by the trust department.

At year-end, the carrying amount of the component units' deposits was \$484,854 and the bank balances were \$496,264. Of the bank balance, \$250,000 was covered by federal depository insurance and \$246,264 of the balance was covered by collateral held in the pledging institution's trust departments in the Government's name. Statutes require collateral at 110% of pledged deposits to be held in the Government's name by the trust department.

Investments - The County's investments as of June 30, 2010 consisted of certificate of deposits of \$1,997,467, bearing interest at .25% to 1.75% with maturities of September, 2010 through December, 2010.

B. Property Taxes

State law requires that property taxes be based on assessed value, which is 40% of fair market value. All real and personal property (including motor vehicles) are valued as of January 1, of each year and must be declared and reported on a return for tax purposes by May 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, the Board of Tax Assessors of Candler County makes all assessments.

Upon completion of all assessments and tax returns, the information is turned over to the Candler County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the

State mandated forty percent (40%) of fair market value. If not, the commissioner may require an across the board percentage adjustment to all real property. The County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes must be paid by the birth date of the owner of the vehicle. Property taxes are usually levied on October 20, of each year. Real and personal property taxes are due by December 20, and considered delinquent by December 20.

Property taxes are attached as an enforceable lien on the day the taxes become delinquent. The total real and personal property tax levy is recorded as revenue in the fiscal year in which such amounts will be available (collected within 60 days of year-end) as net current assets. In the accompanying financial statements, the portion of the property tax levy for the tax year 2009 collected during the current year has been recognized as revenue.

Property taxes receivable at June 30, 2010, is composed of the following:

Year of Levy:

2009/2010	\$471,599
Prior to 2009	<u>440,099</u>
Total	911,698
Less - allowance for uncollectible	<u>91,170</u>
Net receivable	<u>\$820,528</u>

C. Accounts Receivable

Primary Government

Receivables at June 30, 2010 for the County's individual major funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	Sales Tax Construction <u>Fund</u>	<u>Total</u>
Receivable:			
Taxes	\$ 911,698		\$ 911,698
Accounts	906,172	\$108,311	1,014,483
Tax Commissioner	114,124		114,124
Interest	<u>8,247</u>		<u>8,247</u>
Gross receivables	1,940,241	108,311	2,048,552
Less: allowance for uncollectibles	<u>720,495</u>		<u>720,495</u>
Net total receivables	<u>\$1,219,746</u>	<u>\$108,311</u>	<u>\$1,328,057</u>

Discretely Presented Component Units

Trade receivables from the Candler County Board of Health as of June 30, 2010 are as follows:

	<u>Board of Health</u>
Receivables:	
Accounts	<u>\$ 16,129</u>
Less: allowance for uncollectibles	<u>NIL</u>
Net total receivables	<u>\$ 16,129</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Property taxes	\$ 754,538
Community Center fees	<u>3,665</u>
TOTAL .	<u>\$ 758,203</u>

D. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2010 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land	\$137,076			\$137,076
Site improvements in progress	8,582			8,582
Total capital assets not being depreciated	145,658			145,658
Other capital assets:				
Buildings & other improvements	5,964,724	\$18,629		5,983,353
Machinery and equipment	3,733,196	129,205	\$34,210	3,828,191
Depreciable site improvements	1,777,098	6,669		1,783,767
Total other capital assets at historical cost	11,475,018	154,503	34,210	11,595,311
Less accumulated depreciation:				
Buildings & other improvements	1,355,146	129,070		1,484,216
Machinery and equipment	1,939,274	269,640	33,010	2,175,904
Depreciable site improvements	1,457,413	39,945		1,497,358
Total accumulated depreciation	4,751,833	438,655	33,010	5,157,478
Other capital assets, net	6,723,185	(284,152)	1,200	6,437,833
Governmental activities, capital assets, net	\$6,868,843	(\$284,152)	\$1,200	\$6,583,491
Business-type activities:				
Capital assets not being depreciated:				
Land	\$13,468			\$13,468
Other capital assets:				
Building and other improvements	509,784			509,784
Equipment	7,153			7,153
Total other capital assets at historical cost	516,937			516,937
Less accumulated depreciation:				
Building and other improvements	36,704	9,176		45,880
Equipment	4,802	1,220		6,022
Total accumulated depreciation	41,506	10,396		51,902
Other capital assets - net	475,431	(10,396)		465,035
Business-type activities, capital assets, net	\$488,899	(\$10,396)		\$478,503

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 20,795
Judiciary	206
Police protection	50,540
Detention Center	36,364
Public buildings	77,773
Roads and bridges	121,748
Garbage and trash disposal	62,430
Ambulance service	44,631
Other - EMA	6,285
Agricultural assistance	4,158
Garbage and trash collection	<u>13,725</u>
 Total governmental activities depreciation expense	 <u>\$ 438,655</u>

Capital asset activity for the Board of Health for the year ended June 30, 2010 was as follows:

-----Public Health Center-----

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Other capital assets:			
Equipment	\$62,355		\$62,355
Less accumulated depreciation	<u>57,915</u>	<u>\$ 1,557</u>	<u>59,472</u>
 Other capital assets, net	 <u>\$ 4,440</u>	 <u>\$ (1,557)</u>	 <u>\$ 2,883</u>

E. Interfund Receivables, Payables and Transfers

As of June 30, 2010, due to/from other funds which are considered current in nature, were as follows:

	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
Major Funds:		
General Fund	\$ 190,328	\$ 9,035
Sales Tax Construction Fund		\$ 190,328
Non-major Fund:		
E-911 Fund	\$ 9,035	
Business-Type Activities:		
Public Bulding Fund	\$ NIL	\$ NIL

The above due to/from balances resulted from the normal course of the County's operations.

There were no transfers for the year ended June 30, 2010.

F. Long-term Debt

During the prior fiscal years, the County entered into six agreements with the Georgia Environmental Facilities Authority (GEFA) to borrow funds to finance closure costs on the Phase One landfill and the construction of a pumping station and a construction and demolition landfill (C & D). The notes bear interest at rates of 4%, 4.55% 5.12%, 5.3% and 5.6% with principal and interest commencing after the completion of each project. As of June 30, 2010, the County had received proceeds of \$1,633,962 under these GEFA loans.

During the prior fiscal years, the County entered into an intergovernmental services contract for \$500,000 from the OneGeorgia

Authority for a term of 20 years at 0%. Quarterly repayments of \$6,250 began July 1, 2005, date of certificate of occupancy was granted. A first mortgage on the building was taken by the OneGeorgia Authority as collateral for the contract. Also, the contract is secured by a blanket assignment of any leases. The County has also agreed that any revenues in excess of operating costs will be reinvested back into the project. As of June 30, 2010, the County had drawn down \$500,000 for the construction and related cost of the Agricultural Regional Resource Center building.

During the past fiscal year, the County entered into an installment sale contract agreement for \$170,056 from Caterpillar Financial Services Corporation in connection with the acquisition of an excavator. The contract agreement is for a period of thirty-six (36) months with payments of \$4,723.78 per month with 0% interest.

During the past fiscal year, the County entered into a \$720,000 loan agreement with USDA to finance the construction of an EMS building. The note bears interest at 4.375% with monthly installments of \$3,212 beginning January 20, 2010, with the EMS facility serving as collateral under the loan agreement. The County made draws of \$601,458 under the loan agreement as of June 30, 2010. Subsequent to June 30, 2009, the County made additional draws of \$81,759. During September, 2009, the County paid off the loan including accrued interest.

The following is a summary of the annual debt service requirements to maturity of all of the County's general long-term notes, including interest of \$51,869:

Primary Government:

Governmental Activities:

<u>FY Ending</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
June 30, 2011	\$ 61,048	\$ 47,685	\$ 13,363
June 30, 2012	46,877	35,326	11,551
June 30, 2013	46,877	37,237	9,640
June 30, 2014	46,878	39,250	7,628
June 30, 2015	46,878	41,372	5,506
June 30, 2016-2017	<u>82,035</u>	<u>77,854</u>	<u>4,181</u>
TOTAL	<u>\$330,593</u>	<u>\$278,724</u>	<u>\$ 51,869</u>

The following is a summary of the annual debt service requirements to maturity of all of the County's business-activity long-term notes, including no interest.

Business Activities:

<u>FY Ending</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
June 30, 2011	\$ 25,000	\$ 25,000	NIL
June 30, 2012	25,000	25,000	NIL
June 30, 2013	25,000	25,000	NIL
June 30, 2014	25,000	25,000	NIL
June 30, 2015	25,000	25,000	NIL
June 30, 2016 - 2020	125,000	125,000	NIL
June 30, 2021 - 2025	<u>125,000</u>	<u>125,000</u>	<u>NIL</u>
TOTAL . .	<u>\$ 375,000</u>	<u>\$ 375,000</u>	<u>\$ NIL</u>

Closure and Postclosure Care Costs

State and federal laws and regulations require that the County place a final cover on its landfills when closed and to perform certain maintenance and monitoring functions at the landfill sites for five to thirty years after closure. The amount of costs recognized in each period is based on the relative amount of waste received during the period, even though some of the closure and postclosure care costs will be paid after the landfills are closed. The County currently provided for \$1,644,580 of estimated costs for the closed Phase One landfill site, and the C&D landfill site and the municipal solid waste landfill site based on land fill capacity used to date. The amount of the remaining estimated cost for landfill closure and postclosure care of \$1,375,934 will be recognized on a pro rata basis as the remaining estimated capacity of 341,250 cubic yards of usable space is filled. The County's Phase One landfill was closed during a prior fiscal year. The C&D landfill was closed September, 1997. The County's municipal solid waste landfill site has an estimated remaining capacity of twenty-three years with 44.72% of the capacity used to date. All amounts recognized are based on what it would cost to perform all closure and postclosure care at year-end; however, actual costs may be higher due to inflation. The County is required by state and federal laws and regulations to provide funds to finance closure and postclosure care. The County is currently providing for these funds by charging a landfill fee to property owners.

It is anticipated that future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example), may need to be covered by charges to future landfill users, taxpayers, or both.

The following is a summary of the changes in the long-term debt account:

	Amount of Original Issued	Balance 06/30/09	Additions	Reductions	Balance 06/30/10	Amount Due Within One Year
Primary Government:						
Governmental Activities:						
Notes - GEFA	\$1,633,962	\$296,348		\$31,796	\$264,552	\$33,515
Closure & postclosure landfill care costs		1,706,621		62,041	1,644,580	
Note - USDA	720,000	601,458	\$81,759	683,217		
Compensated absences		98,751	4,466		103,217	
Installment sales contract	170,056	70,857		56,685	14,172	14,172
TOTAL	\$2,524,018	\$2,774,035	\$86,225	\$833,739	\$2,026,521	\$47,687
Business-type Activities:						
0% Note - OneGeorgia Authority	\$500,000	\$393,750		\$25,000	\$368,750	\$18,750
Component Unit:						
Compensated absences		\$16,012	\$14,100	\$11,208	\$18,904	

Payments of compensated absences is made by the General Fund.

III. CONTINGENT LIABILITIES:

A. Risk Management and Litigation:

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Government carries commercial insurance.

The County has joined together with other counties in the state as part of the ACCG-Group Self-Insurance Workers' Compensation Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Association County Commissioners of Georgia (ACCG) administers this risk pool.

As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. Also, the County is 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 fund.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The fund is 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.

The County's attorney advises that the County received notice that a suit would be filed to recover damages from a fall that occurred in the County's parking lot. The issue has been referred to the County's insurance carrier.

Significant losses experienced by the County are covered by commercial insurance for all risks. For insured risks there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or thru prior years.

B. Federally Assisted Grant Programs

Grants from the Federal Government to Candler County did not exceed \$500,000 for the year ended June 30, 2010, thus the County is not required to comply with provisions of the Single Audit Act of 1984.

IV. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the seventeen county heart of Georgia area, is a member of the Heart of Georgia Altamaha Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended June 30, 2010, the County paid dues of \$6,245. Membership in a RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a RDC. Separate financial statements maybe obtained from:

Heart of Georgia Altamaha Regional Development Center
501 Oak Street
Eastman, Georgia 31023

CANDLER COUNTY, GEORGIA
GENERAL FUND

BALANCE SHEET, JUNE 30, 2010 AND 2009

	June 30, 2010	2009
<u>ASSETS</u>		
CASH	\$3,838,017	\$3,988,884
RECEIVABLES (net of allowance for uncollectibles):		
Taxes	820,528	626,661
Accounts	276,847	301,637
Tax collector	114,124	245,498
Interest	8,247	12,543
DUE FROM OTHER FUNDS	190,328	663,017
PREPAID INSURANCE	<u>47,529</u>	<u>42,904</u>
TOTAL	<u>\$5,295,620</u>	<u>\$5,881,144</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:		
Accounts payable	\$ 59,262	\$ 164,628
Payroll withholdings	45,469	22,590
Due to other funds	9,035	
Deferred revenue	<u>758,203</u>	<u>588,868</u>
Total	<u>871,969</u>	<u>776,086</u>
FUND BALANCE:		
Unreserved	3,751,872	4,585,780
Reserved for:		
Prepaid insurance	47,529	42,904
Landfill closure costs	<u>624,250</u>	<u>476,374</u>
Total	<u>4,423,651</u>	<u>5,105,058</u>
TOTAL	<u>\$5,295,620</u>	<u>\$5,881,144</u>

CANDLER COUNTY, GEORGIA
GENERAL FUND

ANALYSIS OF CHANGES IN FUND BALANCE
 FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	Year Ended June 30,	
	2010	2009
FUND BALANCE, BEGINNING OF YEAR	\$5,105,058	\$4,788,333
Transfer to E-911 Fund	<u>(226,229)</u>	<u> </u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>4,878,829</u>	<u>4,788,333</u>
ADDITIONS:		
Revenues	5,933,806	6,028,065
Loan proceeds	<u>81,759</u>	<u>601,458</u>
Total	<u>6,015,565</u>	<u>6,029,523</u>
DEDUCTIONS:		
Expenditures	<u>(6,470,743)</u>	<u>6,312,798</u>
FUND BALANCE, END OF YEAR	<u>\$4,423,651</u>	<u>\$5,105,058</u>

CANDLER COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES
 FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	Year Ended June 30,	
	2010	2009
TAXES:		
Property	\$1,988,120	\$1,918,967
Motor vehicles	218,499	250,319
Mobile homes	30,097	16,901
Recording (real estate mortgage with maturities in excess of three years)	50,921	38,692
Local option sales tax	661,072	637,275
Malt and alcoholic beverage	84,001	84,383
Real estate transfer	33,878	6,090
Insurance premiums	266,464	270,340
Franchise	21,608	17,639
Railroad equipment tax	2,769	3,015
Financial institutions' business license tax	23,539	28,220
Total	<u>3,380,968</u>	<u>3,271,841</u>
LICENSES AND PERMITS:		
Business (malt and alcoholic beverage licenses)	13,125	8,400
Building/land permits	10,985	7,429
Total	<u>24,110</u>	<u>15,829</u>
INTEREST AND FEES ON TAXES:		
Interest, penalties and costs	172,085	121,384
Commissions	18,001	7,721
Collection fees - City	5,400	4,000
Total	<u>195,486</u>	<u>133,105</u>
COURT FINES AND FEES:		
Fines:		
State Court	239,590	246,303
Superior Court	33,553	27,545
Juvenile Court	455	279
Fees:		
State and Superior Courts	1,256	44,119
Probate Court	15,712	11,587
Magistrate Court	21,103	26,261
Victim Assistance Program	10,040	14,627
Jail Surcharge	29,557	28,152
Total	<u>351,266</u>	<u>398,873</u>

Candler County, Georgia
Statement of Revenues - For the years ended June 30, 2010 and 2009
Page 2

	Year Ended June 30,	
	2010	2009
SHERIFF:		
Fees and costs	\$ 49,292	\$ 63,969
STATE AND FEDERAL GRANTS:		
Road projects	75,765	308,477
Governor's Grant		10,000
GEMA - Hazard mitigation		19,455
GDNR - Pan Flu Exercises		3,000
One Georgia		17,230
Emergency Management Assistance (EMA)	5,000	5,000
Total	<u>80,765</u>	<u>363,162</u>
OTHER:		
Proceeds from sale of sand, dirt, pipes, blades, etc.	17,880	9,841
Auto tag and title fees and penalties	14,560	17,015
Community Center	2,763	3,362
Aerial maps	1,364	1,181
City of Metter - Detention Center	40,000	40,000
Community Service Program	9,477	11,075
Contributions - Road project	100	20,100
Interest	38,503	73,378
Ambulance fees	841,631	652,342
Law Library	8,025	10,124
Jail phone		101
Other	9,006	13,077
Landfill and garbage fees	851,421	781,780
Election fees	3,759	2,925
Juvenile offender program	6,880	4,598
911 telephone fees		135,652
Rentals	6,550	4,735
Total	<u>1,851,919</u>	<u>1,781,286</u>
TOTAL	<u>\$5,933,806</u>	<u>\$6,028,065</u>

CANDLER COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF EXPENDITURES
 FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	Year Ended June 30,	
	2010	2009
GENERAL GOVERNMENT:		
Administrative:		
Salaries	\$ 180,225	\$ 172,566
Advertising	2,389	3,977
Supplies	11,146	10,377
Travel and training	13,228	13,398
Telephone	6,846	6,801
Capital outlays	3,830	3,666
Miscellaneous	4,834	1,909
Computer service	5,216	3,912
Repairs and maintenance	2,082	4,384
Utilities	3,761	3,422
Dues and subscriptions	740	460
Workers' compensation insurance	1,347	1,789
Equipment leases	1,507	1,543
Group insurance	25,869	18,589
Payroll taxes	14,106	13,300
Total administrative	<u>277,126</u>	<u>260,093</u>
Office of Tax Commissioner:		
Salaries	137,327	146,557
Supplies	9,298	13,076
Computer services	6,549	8,701
Telephone	2,957	2,981
Miscellaneous	1,571	
Travel and training	3,692	3,151
Dues and subscriptions	300	250
Advertising	275	250
Equipment leases	1,468	1,105
Group insurance	32,699	29,114
Payroll taxes	10,432	11,182
Workers' compensation insurance	946	1,088
Repairs and maintenance	2,073	2,298
Capital outlays		5,246
Professional services	5,280	8,225
Total tax commissioner	<u>214,867</u>	<u>233,224</u>

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2010 and 2009
Page 2

	Year Ended June 30,	
	2010	2009
Office of Tax Assessors:		
Salaries	\$ 139,262	\$ 120,383
Travel and training	7,292	8,077
Supplies	7,550	5,733
Telephone	3,143	3,265
Miscellaneous	1,041	31
Dues and subscriptions	280	245
Computer services	2,504	2,794
Advertising	727	220
Equipment leases	1,681	1,595
Professional services	3,650	9,203
Payroll taxes	10,639	9,209
Workers' compensation insurance	1,931	1,687
Capital outlays		5,276
Repairs and maintenance	11,764	9,043
Unemployment benefits		4,460
Group insurance	<u>33,330</u>	<u>24,667</u>
Total tax assessors	<u>224,794</u>	<u>205,888</u>
Total	<u>716,787</u>	<u>699,205</u>

JUDICIARY:

State and Superior Court:

Salaries	213,230	193,646
Professional services		6,182
Supplies	5,008	5,757
Telephone	5,643	4,885
Jury fees and costs	5,719	9,621
Miscellaneous	175	1,458
Travel and training	2,461	689
Court reporter	2,971	3,241
Contributions to operating budgets	88,912	88,938
Computer services	4,922	6,170
Indigent defense	36,965	33,884
Juvenile Court	21,455	16,843
Dues and subscriptions	350	350
Payroll taxes	16,249	14,756
Group insurance	25,837	19,290
Workers' compensation insurance	1,510	1,543
Repairs and maintenance	126	126
Equipment leases	<u>2,800</u>	<u>2,852</u>
Total State and Superior Courts	<u>434,333</u>	<u>410,231</u>

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2010 and 2009
Page 3

	Year Ended June 30,	
	2010	2009
Probate Court:		
Salaries	\$ 59,076	\$ 74,973
Supplies	783	2,123
Telephone	2,114	1,916
Miscellaneous	25	
Travel and training	697	
Dues and subscriptions	200	200
Workers' compensation	502	582
Equipment leases	1,187	1,195
Group insurance	12,360	15,091
Professional fees	175	1,960
Computer services	12	128
Payroll taxes	4,509	5,736
Total Probate Court	81,640	103,904
Magistrate Court:		
Salaries	59,029	67,425
Supplies	1,825	2,382
Telephone	1,119	1,158
Miscellaneous	640	160
Equipment leases	905	906
Group insurance	8,361	7,921
Payroll taxes	4,515	5,157
Workers' compensation insurance	529	643
Total Magistrate Court	76,923	85,752
Coroner:		
Salary and costs	16,975	16,346
Total	609,871	616,233

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2010 and 2009
Page 4

	Year Ended June 30,	
	2010	2009
POLICE PROTECTION:		
Salaries	\$ 385,783	\$ 369,398
Repairs and maintenance	12,416	15,935
Gasoline and oil	33,768	36,372
Supplies	9,348	18,032
Uniforms	653	2,266
Telephone	11,572	13,331
Capital outlays	15,182	19,210
Travel and training	4,513	5,084
Miscellaneous	718	338
Drug Task Force	10,826	14,896
Computer Service	2,585	6,438
Utilities	6,753	7,173
Dues and subscriptions	773	575
Equipment leases	426	426
Group insurance	69,943	61,104
Payroll taxes	29,385	28,228
Professional fees	355	1,590
Workers' compensation insurance	<u>12,458</u>	<u>11,037</u>
Total	<u>607,457</u>	<u>611,433</u>

DETENTION CENTER:		
Salaries	195,158	203,005
Telephone	1,443	1,667
Supplies	9,200	63,704
Utilities	27,594	28,687
Repairs and maintenance	15,007	6,327
Laundry and uniforms		442
Travel and training	594	1,581
Prisoners' food	84,286	113,020
Medical costs - prisoners	18,499	35,256
Computer services	3,444	1,087
Group insurance	54,994	48,177
Payroll taxes	14,886	15,518
Insurance claim		5,000
Workers' compensation insurance	<u>7,146</u>	<u>6,434</u>
Total	<u>432,251</u>	<u>529,905</u>

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2010 and 2009
Page 5

	Year Ended June 30,	
	2010	2009
PUBLIC BUILDINGS:		
Supplies	\$ 6,450	\$ 3,969
Miscellaneous		557
Utilities	17,900	24,038
Repairs and maintenance	13,589	10,059
Capital Outlays	664	6,836
Contractual services	<u>20,363</u>	<u>20,576</u>
Total	<u>58,966</u>	<u>66,035</u>
 WELFARE:		
Dept. of Family and Children's Services	<u>6,834</u>	<u>10,000</u>
 HEALTH:		
Department of Public Health	<u>105,389</u>	<u>105,879</u>
 AGRICULTURAL ASSISTANCE:		
Salaries and wages	45,509	46,474
Travel and training	10,328	10,498
Capital outlays		21,790
Utilities	2,832	4,033
Telephone	3,714	4,244
Contributions to retirement plans	4,581	4,382
Supplies and other	4,884	3,299
Rentals	4,200	4,200
Equipment leases	1,651	1,734
Payroll taxes	<u>3,504</u>	<u>3,507</u>
Total	<u>81,203</u>	<u>104,161</u>

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2010 and 2009
Page 6

	Year Ended June 30,	
	2010	2009
ROADS AND BRIDGES:		
Salaries and wages	\$ 369,389	\$ 361,001
Unemployment benefits		1,218
Culverts, pipes & other materials	69,347	95,142
Capital outlays		29,921
Repairs & maintenance of machinery	80,471	82,696
Fuel, oil and grease	126,277	124,462
Utilities	930	1,169
Telephone	7,711	7,315
Miscellaneous	1,835	3,702
Uniforms	5,334	4,459
Contractual services	39,500	39,500
Travel and training	482	493
Road projects	4,617	118,824
Group insurance	127,854	110,205
Payroll taxes	27,879	27,530
Workers' compensation insurance	38,929	35,972
Advertising	663	375
Total	<u>901,218</u>	<u>1,043,984</u>

GARBAGE AND TRASH DISPOSAL:		
Salaries	122,141	99,591
Materials and supplies	10,836	12,645
Repairs and maintenance	31,395	25,572
Capital outlays		2,947
Gasoline, oil and grease	31,446	31,139
Professional services	31,704	36,678
Telephone	2,598	2,929
Miscellaneous	873	522
Contractual services	19,750	19,750
State assessment	5,894	7,180
Travel and training	1,184	1,281
Utilities	5,243	6,149
Monitoring fees	21,669	23,536
Equipment leases	390	389
Workers' compensation insurance	6,901	4,968
Group insurance	34,989	28,444
Computer services	395	1,087
Payroll taxes	9,179	7,594
Total	<u>336,587</u>	<u>312,401</u>

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2010 and 2009
Page 7

	Year Ended June 30,	
	2010	2009
GARBAGE AND TRASH COLLECTION:		
Salaries	\$ 16,575	\$ 15,079
Payroll taxes	1,268	1,153
Worker's compensation insurance	659	143
Supplies	509	804
Telephone	458	471
Utilities	741	737
Contractual services	283,437	296,742
Miscellaneous	548	175
Total	<u>304,195</u>	<u>315,304</u>
COMMUNITY CENTER:		
Salaries	3,910	3,640
Supplies	1,005	1,293
Telephone	765	826
Utilities	3,065	3,951
Repairs and maintenance	1,055	1,003
Travel and training	300	300
Payroll taxes	312	294
Workers' compensation insurance	107	63
Total	<u>10,519</u>	<u>11,370</u>
AMBULANCE SERVICE:		
Salaries	472,510	477,858
Professional services	1,115	690
Supplies	21,860	22,743
Telephone	7,334	9,780
Repairs and maintenance	24,065	30,788
Travel and training	3,203	3,083
Fuel	17,537	16,081
Capital outlays	104,490	17,740
Computer service	6,861	7,949
Uniforms	3,011	2,825
Dues, subscriptions, and fees	8,830	8,320
Utilities	11,025	4,280
Miscellaneous	1,100	271
Equipment leases	1,070	1,678
Group insurance	71,337	63,077
Payroll taxes	35,618	36,403
Workers' compensation insurance	16,814	14,401
Total	<u>807,780</u>	<u>717,967</u>

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2010 and 2009
Page 8

	Year Ended June 30,	
	2010	2009
OTHER GOVERNMENTAL SERVICES AND UNALLOCATED EXPENSES:		
Candler County Library	\$ 40,932	\$ 38,428
Candler County Recreation Program	92,300	86,200
Elections:		
Registrars		51,579
Election costs	96,268	68,970
Heart of Georgia Altamaha Regional Development Center	6,245	726
Association County Commissioners of Georgia	2,331	2,331
Emergency management	11,443	31,013
Rentals, etc. - soil conservation	18,505	18,778
Insurance	74,477	69,255
Professional services	53,838	68,790
Fire protection	129,000	113,000
Metter airport	34,942	43,952
Indigent burials		1,000
Animal Haven	39,710	39,133
Forestry	3,574	4,327
Concerted services	6,270	6,512
Board of Equalization	1,274	925
Economic Development	52,530	52,530
Law Library	7,642	5,063
Victim Assistance Program	28,000	28,000
Debt service:		
Loans	797,332	121,616
Cities in Schools	5,576	5,576
Family connections	3,000	4,000
Keep Candler Beautiful Program	100	150
E-911		129,515
School drug program	11,272	3,500
Hospital Authority	(25,627)	173,885
Miscellaneous	752	167
Total	<u>1,491,686</u>	<u>1,168,921</u>
TOTAL	<u>\$6,470,743</u>	<u>\$6,312,798</u>

CANDLER COUNTY, GEORGIA
CAPITAL PROJECTS FUND
SALES TAX CONSTRUCTION FUND

BALANCE SHEET, JUNE 30, 2010 AND 2009

2010 June 30, 2009

ASSETS

Cash	\$1,521,158	\$1,337,356
Accounts Receivable	<u>108,311</u>	<u>105,304</u>
TOTAL	<u>\$1,629,469</u>	<u>\$1,442,660</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:		
Accounts payable	\$ 93,079	\$ 161,263
Due to other funds	<u>190,328</u>	<u>663,017</u>
Total liabilities	<u>283,407</u>	<u>824,280</u>
FUND BALANCE:		
Reserved	<u>1,346,062</u>	<u>618,380</u>
TOTAL	<u>\$1,629,469</u>	<u>\$1,442,660</u>

CANDLER COUNTY, GEORGIA
 CAPITAL PROJECTS FUND
SALES TAX CONSTRUCTION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	Year Ended June 30,	
	2010	2009
REVENUES:		
Special sales tax	\$1,349,015	\$1,297,760
Interest	<u>1,565</u>	<u>14,910</u>
Total	<u>1,350,580</u>	<u>1,312,670</u>
EXPENDITURES:		
Capital Outlays:		
City of Metter projects	539,606	519,104
Roads and bridges	1,285	272,531
Recreation department		77,595
City of Pulaski	53,961	51,910
Landfill	6,668	
Public buildings - equipment	2,679	62,325
Public works - equipment		175,089
Public safety - equipment		62,644
Public buildings	<u>18,629</u>	<u>1,122,729</u>
Total	<u>622,828</u>	<u>2,343,927</u>
Bank charges	<u>70</u>	<u>250</u>
Total	<u>622,898</u>	<u>2,344,177</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	727,682	(1,031,507)
FUND BALANCE, BEGINNING OF YEAR	<u>618,380</u>	<u>1,649,887</u>
FUND BALANCE, END OF YEAR	<u>\$1,346,062</u>	<u>\$ 618,380</u>

CANDLER COUNTY, GEORGIA
E-911 FUND

BALANCE SHEET
 JUNE 30, 2010 AND 2009

June 30,
 2010 2009

ASSETS

CURRENT ASSETS:

Cash	\$213,284	\$356,976
Accounts receivable	17,114	18,595
Due from General Fund	9,035	
Accrued interest receivable	<u>782</u>	<u>409</u>
TOTAL	<u>\$240,215</u>	<u>\$375,980</u>

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES:

Due to General Fund		\$149,751
FUND BALANCE	\$240,215	<u>226,229</u>
TOTAL	<u>\$240,215</u>	<u>\$375,980</u>

CANDLER COUNTY, GEORGIA
E-911 FUND

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2010 AND 2009

	June 30,	
	2010	2009
REVENUES:		
Surcharge	\$130,589	\$135,652
Interest	2,045	4,573
State Grant		<u>17,230</u>
Total	<u>132,634</u>	<u>157,455</u>
EXPENDITURES:		
Travel	320	343
Contract costs	<u>118,328</u>	<u>129,172</u>
Total	<u>118,648</u>	<u>129,515</u>
EXCESS OF REVENUES OVER EXPENDITURES	13,986	27,940
FUND BALANCE, BEGINNING OF YEAR	<u>226,229</u>	<u>198,289</u>
FUND BALANCE, END OF YEAR	<u>\$240,215</u>	<u>\$226,229</u>

CANDLER COUNTY, GEORGIA
FIDUCIARY FUNDS - AGENCY FUNDS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - JUNE 30, 2010 AND 2009

	-----COURTS-----				Tax Commissioner	-----TOTALS-----	
	Probate	State and Superior	Magistrate	Sheriff		June 30, 2010	2009
Cash	<u>\$2,795</u>	<u>\$ 69,170</u>	<u>\$6,530</u>	<u>\$ 86,476</u>	<u>\$250,597</u>	<u>\$415,568</u>	<u>\$701,311</u>
DUE TO OTHERS:							
Collected funds	<u>\$2,795</u>	<u>\$ 69,170</u>	<u>\$6,530</u>	<u>\$ 86,476</u>	<u>\$250,597</u>	<u>\$415,568</u>	<u>\$701,311</u>

CANDLER COUNTY, GEORGIA
FIDUCIARY FUNDS - AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
<u>ASSETS</u>				
CASH:				
Tax Commissioner	\$ 608,201	\$7,661,322	\$8,018,926	\$ 250,597
Clerk of Courts (State and Superior)	20,076	657,460	608,366	69,170
Sheriff	66,861	392,914	373,299	86,476
Probate Court	95	26,190	23,490	2,795
Magistrate Court	<u>6,078</u>	<u>183,771</u>	<u>183,319</u>	<u>6,530</u>
TOTAL	<u>\$ 701,311</u>	<u>\$8,921,657</u>	<u>\$9,207,400</u>	<u>\$ 415,568</u>

<u>LIABILITIES</u>				
DUE TO OTHERS:				
Governmental units, retirement plans, etc.	<u>\$ 701,311</u>	<u>\$8,921,657</u>	<u>\$9,207,400</u>	<u>\$ 415,568</u>

CANDLER COUNTY, GEORGIA
CAPITAL PROJECTS FUND (CDBG)

BALANCE SHEET, JUNE 30, 2010 AND 2009

			June 30,
	2010		2009

ASSETS

CURRENT ASSETS:

Cash	\$	999	\$	252
Accounts receivable				1,894
TOTAL	\$	999	\$	2,146

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	\$	999	\$	2,146
TOTAL	\$	999	\$	2,146

CANDLER COUNTY, GEORGIA
CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	Year Ended June 30,	
	2010	2009
REVENUES:		
CDBG drawdowns	\$ 14,460	\$ 379,095
EXPENDITURES:		
Administration	3,000	14,500
Construction costs	<u>11,460</u>	<u>364,595</u>
Total	<u>14,460</u>	<u>379,095</u>
EXCESS OF REVENUES OVER EXPENDITURES	NIL	NIL
FUND BALANCE, BEGINNING OF YEAR	<u>NIL</u>	<u>NIL</u>
FUND BALANCE, END OF YEAR	<u>\$ NIL</u>	<u>\$ NIL</u>

CANDLER COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
PROGRAM YEAR 2007; CDBG 07P-Y-021-1-3317

STATEMENT OF SOURCE AND STATUS OF FUNDS
FOR THE PERIOD SEPTEMBER 7, 2007 THROUGH JUNE 30, 2010

Total Program Year 2007 funds allocated to recipient . . .	\$433,955
Less: Program Year 2007 funds drawn down by recipient . .	<u>433,955</u>
Funds available from DCA - Program Year 2007 adjusted resources	<u>\$ NIL</u>
Total Program Year 2007 funds drawn down by recipient . . .	\$433,955
Program income applicable to Program Year 2007	<u>NIL</u>
Total Program Year 2007 funds received	433,955
Less: Funds applied to Program Year 2007 cost (Schedule 12)	<u>433,955</u>
Total Program Year 2007 Funds held by recipient	<u>\$ NIL</u>
Total Program Year 2007 funds available for disposition	<u>\$ NIL</u>

CANDLER COUNTY, GEORGIACOMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
CDBG NO. 07P-Y-021-1-3317PROGRAM YEAR 2007; PROGRAM YEAR PERIOD
SEPTEMBER 7, 2007 TO JUNE 30, 2010STATEMENT OF PROGRAM COSTS
FOR THE PERIOD SEPTEMBER 7, 2007 THROUGH JUNE 30, 2010

Program Activity And Related Projects	Authorized Costs	Expenditures Paid Period Ended June 30, 2010	Questioned Costs
Administration	\$ 30,000	\$ 30,000	\$ NIL
Engineering - Street improvements/ flood and drainage	27,900	27,900	NIL
Street improvements	334,739	334,818	NIL
Flood and drainage facilities	68,720	41,237	NIL
Contingencies	<u>38,641</u>		<u>NIL</u>
TOTAL	<u>\$ 500,000</u>	<u>\$ 433,955</u>	<u>\$ NIL</u>

CANDLER COUNTY, GEORGIA
OFFICE OF TAX COMMISSIONER

STATEMENT OF CHANGES IN TAXES RECEIVABLE
2009 PROPERTY AND MOTOR VEHICLES - NOD'S TAX DIGESTS
FOR THE YEAR ENDED JUNE 30, 2010

	Total	State	County	School	City of Metter
CHARGES:					
Property tax digest	\$5,271,007	\$ 50,466	\$2,060,583	\$2,578,871	\$ 581,087
Motor vehicles	270,431	2,764	108,170	136,633	22,864
Additions to tax digest	156,058	1,567	61,298	77,452	15,741
Interest	21,170	126	13,586	6,376	1,082
Mobile homes	17,061	180	7,139	8,909	833
Timber	28,330	297	11,751	14,694	1,588
Taxes receivable, June 30, 2009	3,687	81	1,635	2,011	
TOTAL	<u>\$5,767,744</u>	<u>\$ 55,441</u>	<u>\$2,264,162</u>	<u>\$2,824,946</u>	<u>\$ 623,195</u>
CREDITS:					
Remittances	\$4,953,228	\$ 45,366	\$1,942,394	\$2,419,794	\$ 545,674
Commissions - County	5,141	2,056		2,422	663
Errors and reliefs	150,857	1,532	59,662	75,181	14,482
Taxes receivable - June 30, 2010	658,357	6,590	262,103	327,549	62,115
Under (over) remitted collections	161	(103)	3		261
TOTAL	<u>\$5,767,744</u>	<u>\$ 55,441</u>	<u>\$2,264,162</u>	<u>\$2,824,946</u>	<u>\$ 623,195</u>

CANDLER COUNTY, GEORGIA
OFFICE OF TAX COMMISSIONER

STATEMENT OF CHANGES IN TAXES RECEIVABLE -
2010 MOTOR VEHICLES, MOBILE HOMES, AND TIMBER TAX DIGESTS
FOR THE YEAR ENDED JUNE 30, 2010

	Total	State	County	School	City of Metter
<u>MOTOR VEHICLES, MOBILE HOMES AND TIMBER</u>					
CHARGES:					
Motor vehicles	\$ 274,150	\$ 2,793	\$ 109,824	\$ 138,047	\$ 23,486
Timber	21,718	239	9,652	11,827	
Mobile homes	24,141	255	10,149	12,619	1,118
Interest	7		3	4	
TOTAL	<u>\$ 320,016</u>	<u>\$ 3,287</u>	<u>\$ 129,628</u>	<u>\$ 162,497</u>	<u>\$ 24,604</u>
CREDITS:					
Remittances	\$ 318,430	\$ 3,097	\$ 129,530	\$ 162,203	\$ 23,600
Commissions - County	1,538	197		163	1,178
Under (over) remitted collections	48	(7)	98	131	(174)
TOTAL	<u>\$ 320,016</u>	<u>\$ 3,287</u>	<u>\$ 129,628</u>	<u>\$ 162,497</u>	<u>\$ 24,604</u>

CANDLER COUNTY, GEORGIA
 SCHEDULE OF EXPENDITURES OF SPECIAL SALES TAX PROCEEDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Original Estimated Cost	Latest Estimated Cost	Prior Years	-Expenditures- Current Year	Total of	Estimated Percentage of Completion
2006:						
Public building projects	\$ 904,000	\$ 904,000	\$ 512,138	\$ 20,933	\$ 533,071	58.97%
New equipment	1,250,000	1,250,000	819,228	6,668	819,228	65.54%
Public works project	883,000	883,000	100,000	6,668	106,668	12.08%
Drainage, roads & bridge improvements/expansions Recreation department	1,850,000	1,850,000	288,985	1,285	290,270	15.69%
Projects	195,000	195,000	193,720		193,720	99.34%
City of Metter projects	3,630,000	3,630,000	1,758,118	539,606	2,297,724	63.30%
Town of Pulaski	363,000	363,000	175,812	53,961	229,773	63.30%
TOTAL	<u>\$9,075,000</u>	<u>\$9,075,000</u>	<u>\$3,848,001</u>	<u>\$ 622,453</u>	<u>\$4,470,454</u>	<u>49.26%</u>

HERMAN MONGIN
CERTIFIED PUBLIC ACCOUNTANT
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SAVANNAH, GEORGIA 31406

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I. 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

Board of Commissioners
Candler County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Candler County, Georgia as of and for the year ended June 30, 2010, which collectively comprise Candler County's basic financial statements and have issued our report thereon dated March 21, 2011. We did not audit the financial statements of the Candler County Board of Health, a component unit. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion on those financial statements, insofar as it relates to the amounts included for Candler County, Georgia, was based solely on the report of the other auditor. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Candler County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Candler County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Candler County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Candler County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than remote likelihood that a misstatement of the Candler County's financial statements that is more than inconsequential will not be prevented or detected by the Candler County's internal control.


A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material misstatement of the financial statements will not be prevented or detected by the Candler County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Commissioners, management, the Georgia Department of Community Affairs, USDA, and the Department of Audits and Accounts and other associated federal organizations and is not intended to be and should not be used by anyone other than these specified parties.


March 21, 2011