

CANDLER COUNTY, GEORGIA

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2011
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, 2011, 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, 2011, the respective changes in financial position, and the respective budgetary comparisons for the General and E-911 Funds 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 9, 2012 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. 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, 2011.

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.

Kerman Mongin

March 9, 2012

CANDLER COUNTY, GEORGIASTATEMENT OF NET ASSETS
JUNE 30, 2011

	----- Primary Government -----			-Component Unit-
	Governmental Activities	Business-Type Activities	Total	Board Health
<u>ASSETS</u>				
Cash	\$ 5,190,415	\$ 68,953	\$ 5,259,368	\$ 474,427
Receivables (net of allowance for uncollectibles):				
Taxes	857,379		857,379	
Accounts	381,370		381,370	30,989
Tax Commissioner	124,026		124,026	
Accrued interest receivable	3,805		3,805	
Prepaid expenses	35,447		35,447	
Capital assets:				
Land and other non-depreciable assets	1,266,075	13,468	1,279,543	
Other capital assets, net of depreciation	<u>6,502,868</u>	<u>454,639</u>	<u>6,957,507</u>	<u>9,191</u>
Total assets	<u>14,361,385</u>	<u>537,060</u>	<u>14,898,445</u>	<u>514,607</u>
<u>LIABILITIES AND NET ASSETS</u>				
LIABILITIES:				
Accounts payable	280,515		280,515	
Payroll withholdings/accrued	46,933		46,933	
Deferred revenues	6,765		6,765	
Current portion of long-term debt:				
Notes	99,482	18,750	118,232	
Compensated absences				9,112
Accrued interest payable	8,214		8,214	
Long-term debt, net of current portion:				
Notes	474,907	325,000	799,907	
Landfill closure and post-closure costs	1,801,433		1,801,433	
Compensated absences	<u>116,558</u>		<u>116,558</u>	<u>9,112</u>
Total liabilities	<u>2,834,807</u>	<u>343,750</u>	<u>3,178,557</u>	<u>18,224</u>
NET ASSETS:				
Invested in capital assets, net of related debt	7,194,554	124,357	7,318,911	9,191
Restricted for:				
Landfill closure costs	765,611		765,611	
Prior year program income				120,141
Capital projects	775,243		775,243	
Unrestricted	<u>2,791,170</u>	<u>68,953</u>	<u>2,860,123</u>	<u>367,051</u>
TOTAL NET ASSETS	<u>\$11,526,578</u>	<u>\$ 193,310</u>	<u>\$11,719,888</u>	<u>\$ 496,383</u>

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

---Net Revenues (expenses) and Changes in Net Assets---

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	TOTAL	Component Unit Board of Health
Primary Government:							
Governmental Activities:							
General government	\$1,041,703	\$ 73,694		\$ (968,009)		\$ (968,009)	
Judiciary	623,451	212,228		(411,223)		(411,223)	
Public safety	2,322,376	1,293,300		(1,024,076)		(1,024,076)	
Health and welfare	158,250		\$ 5,000	(158,250)		(158,250)	
Cultural and recreation	147,432	3,126		(144,306)		(144,306)	
Public works	2,536,746	788,119		(1,748,627)		(1,748,627)	
Housing and development	189,821			(189,821)		(189,821)	
Interest on long-term debt	19,238			(19,238)		(19,238)	
Total	7,039,017	2,370,467	5,000	(4,663,550)		(4,663,550)	
Business-type Activities:							
Public Building Authority	10,439	37,725			\$ 27,286	27,286	
Total primary government	\$7,049,456	\$2,408,192	\$ 5,000	\$(4,663,550)	\$ 27,286	(4,636,264)	
Component Unit:							
Public Health	\$ 432,042	\$ 120,141	\$323,322				\$ 11,421

General Revenues:	Change in net assets	Net assets - beginning	Net assets - ending
Property taxes	2,301,796	11,319,097	11,485,121
Sales taxes	1,894,523	\$11,526,578	\$11,719,888
Interest and fees on taxes	188,756		484,962
Other taxes	163,976		\$ 496,383
Insurance premium tax	259,156		
Interest	20,944		
Other	39,538		
Gain on disposal of equipment	2,342		
Total general revenues	4,871,031		
Change in net assets	207,481		11,421
Net assets - beginning		11,319,097	484,962
Net assets - ending		\$11,526,578	\$ 496,383

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
GOVERNMENTAL FUNDS

BALANCE SHEET
 JUNE 30, 2011

	General	Sales Tax Construction Fund	Other	Governmental Funds
<u>ASSETS</u>				
Cash	\$3,784,315	\$1,111,312	\$ 294,788	\$5,190,415
Receivables (net of allowance for uncollectibles):				
Taxes	857,379			857,379
Accounts	247,243	114,592	19,535	381,370
Tax collector	124,026			124,026
Interest	3,201		604	3,805
Prepaid insurance	35,447			35,447
Due from other funds	<u>285,733</u>	<u>(246,663)</u>	<u>(39,070)</u>	
TOTAL	<u>\$5,377,344</u>	<u>\$ 979,241</u>	<u>\$ 275,857</u>	<u>\$6,592,442</u>

LIABILITIES AND FUND BALANCE

Liabilities:				
Accounts payable	\$ 76,517	\$ 203,998		\$ 280,515
Payroll withholdings/accrued	46,933			46,933
Deferred revenue	<u>804,985</u>			<u>804,985</u>
Total	<u>928,435</u>	<u>203,998</u>		<u>1,132,433</u>
Fund Balance:				
Non-spendable	35,447			35,447
Assigned to:				
Capital projects/E-911		775,243	275,857	1,051,100
Landfill closure costs	765,611			765,611
Unassigned	<u>3,607,851</u>			<u>3,607,851</u>
Total	<u>4,408,909</u>	<u>775,243</u>	<u>275,857</u>	<u>5,460,009</u>
TOTAL	<u>\$5,337,344</u>	<u>\$ 979,241</u>	<u>\$ 275,857</u>	<u>\$6,592,442</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, 2011

Fund balance - total governmental funds	\$ 5,460,009
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	7,768,943
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	798,220
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Notes payable	(574,389)
Accrued interest payable	(8,214)
Compensated absences	(116,558)
Landfill closure and post closure costs	<u>(1,801,433)</u>
Net assets of governmental activities	<u>\$11,526,578</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, 2011

	General	Sales Tax Construction Fund	Other	Governmental Funds
REVENUES:				
Taxes	\$3,328,782	\$1,271,505		\$4,600,287
Licenses and permits	28,696			28,696
Interest and fees on taxes	212,706			212,706
Court fines and fees	389,284			389,284
Sheriff fees and costs	75,203			75,203
State and federal grants	5,000			5,000
Other	<u>1,815,365</u>	<u>1,838</u>	<u>\$149,731</u>	<u>1,966,934</u>
Total revenue	<u>5,855,036</u>	<u>1,273,343</u>	<u>149,731</u>	<u>7,278,110</u>
EXPENDITURES:				
Current:				
General government	1,016,167			1,016,167
Judiciary	622,820			622,820
Public safety	2,059,315		114,089	2,173,404
Health and welfare	158,250			158,250
Cultural and recreation	143,190			143,190
Public works	1,583,282			1,583,282
Housing and Development	185,622			185,622
Total	<u>5,768,646</u>		<u>114,089</u>	<u>5,882,735</u>
Intergovernmental		559,462		559,462
Capital outlays	104,240	1,563,894		1,668,134
Debt Service:				
Principal	47,686			47,686
Interest	13,362			13,362
Total	<u>61,048</u>			<u>61,048</u>
Total expenditures	<u>5,933,934</u>	<u>2,123,356</u>	<u>114,089</u>	<u>8,171,379</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(78,898)</u>	<u>(850,013)</u>	35,642	<u>(893,269)</u>
OTHER FINANCIAL SOURCES (USES):				
Loan proceeds	<u>64,156</u>	279,194		343,350
NET CHANGE IN FUND BALANCE	(14,742)	(570,819)	35,642	(549,919)
FUND BALANCE, BEGINNING OF YEAR	<u>4,423,651</u>	<u>1,346,062</u>	<u>240,215</u>	<u>6,009,928</u>
FUND BALANCE, END OF YEAR	<u>\$4,408,909</u>	<u>\$ 775,243</u>	<u>\$275,857</u>	<u>\$5,460,009</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, 2011

Net change in fund balances - Total Governmental Funds \$ (549,919)

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	\$1,581,344
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Depreciation expense reported in the statement of activities	<u>395,892</u>
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Amount by which capital outlays is more than depreciation in current period	1,185,452
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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 47,687

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 (343,350)

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	19,164
Emergency Medical Services Ambulance Fees	22,934
Landfill fees	1,584

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	(5,877)
Compensated absences	(13,341)
Landfill closure and post closure costs	<u>(156,853)</u>

Change in Net assets of Governmental Activities	<u>\$ 207,481</u>
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See the accompanying notes to financial statements.

CANDLEK COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	--Budgeted Amounts--		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$3,359,407	\$3,359,407	\$3,328,782	\$ (30,625)
Licenses	30,988	30,988	28,696	(2,292)
Interest and fees on taxes	197,900	197,900	212,706	14,806
Court fines and fees	349,500	349,500	389,284	39,784
Sheriff fees and cost	60,000	60,000	75,203	15,203
State and federal grants	5,000	5,000	5,000	
Other	<u>1,772,302</u>	<u>1,772,302</u>	<u>1,815,365</u>	<u>43,063</u>
Total	<u>5,775,097</u>	<u>5,775,097</u>	<u>5,855,036</u>	<u>79,939</u>

EXPENDITURES:				
General government	824,451	824,451	716,179	108,272
Judiciary	646,259	651,430	615,265	36,165
Police protection	691,721	702,624	686,058	16,566
Detention Center	493,120	493,120	474,062	19,058
Public buildings	127,107	190,353	55,718	134,635
Welfare	10,000	10,000	9,416	584
Health	105,320	105,320	105,320	
Agricultural assistance	85,331	85,331	83,828	1,503
Roads and bridges	1,008,134	1,073,134	1,052,643	20,491
Garbage and trash disposal	423,678	423,678	338,726	84,952
Garbage and trash collection	286,936	286,936	270,240	16,696
Community Center	17,306	17,306	14,413	2,893
Ambulance Service	818,037	818,037	731,746	86,291
Other governmental services and unallocated expenditures	<u>821,947</u>	<u>821,947</u>	<u>780,320</u>	<u>41,627</u>
Total	<u>6,359,347</u>	<u>6,503,667</u>	<u>5,933,934</u>	<u>569,733</u>
EXCESS OF REVENUES OVER EXPENDITURES	(584,250)	(728,570)	(78,898)	649,672

OTHER FINANCING SOURCES:				
Loan proceeds		64,156	64,156	
NET CHANGE IN FUND BALANCE	(584,250)	(664,414)	(14,742)	649,672
FUND BALANCE, BEGINNING OF YEAR	<u>4,423,651</u>	<u>4,423,651</u>	<u>4,423,651</u>	
FUND BALANCE, END OF YEAR	<u>\$3,839,401</u>	<u>\$3,759,237</u>	<u>\$4,408,909</u>	<u>\$ 649,672</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, 2011

	Budgeted Amounts Original and Final	Actuals Amounts	Variance with Final Budget Favorable (Unfavorable)
REVENUES:			
Surcharge . .	\$130,000	\$147,883	\$ 17,883
Interest . .		1,848	1,848
Total . .	<u>130,000</u>	<u>149,731</u>	<u>19,731</u>
EXPENDITURES:			
Contractual services . .	122,819	113,530	9,289
Travel, etc . .	1,200	559	641
Total . .	<u>124,019</u>	<u>114,089</u>	<u>9,930</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES .	5,981	35,642	29,661
FUND BALANCE, BEGINNING OF YEAR	<u>240,215</u>	<u>240,215</u>	—
FUND BALANCE, END OF YEAR . .	<u>\$246,196</u>	<u>\$275,857</u>	<u>\$ 29,661</u>

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
PROPRIETARY FUND - PUBLIC BUILDING AUTHORITY

STATEMENT OF NET ASSETS
 JUNE 30, 2011 AND 2010

	June 30, 2011	2010
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 68,953	\$ 55,771
Rents receivable		500
Total	68,953	56,271
PROPERTY AND EQUIPMENT:		
Land	13,468	13,468
Building and other improvements	509,784	509,784
Equipment	7,153	7,153
Total	530,405	530,405
Less accumulated depreciation	62,298	51,902
Property and equipment - net	468,107	478,503
Total assets	537,060	534,774
<u>LIABILITIES</u>		
CURRENT LIABILITIES:		
Current portion - long-term notes	18,750	18,750
LONG-TERM DEBT:		
Note payable (less current portion shown above)	325,000	350,000
Total liabilities	343,750	368,750
<u>NET ASSETS</u>		
INVESTED IN CAPITAL ASSETS - NET OF RELATED DEBT	124,357	109,753
UNRESTRICTED	68,953	56,271
TOTAL NET ASSETS	\$ 193,310	166,024

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, 2011 AND 2010

	Year Ended June 30,	
	2011	2010
OPERATING REVENUES:		
Rents	\$ 37,725	\$ 37,725
OPERATING EXPENSES:		
Depreciation	10,396	10,396
Supplies	43	
Total	10,439	10,396
OPERATING INCOME AND CHANGES IN NET ASSETS	27,286	27,329
NET ASSETS, BEGINNING OF YEAR	166,024	138,695
NET ASSETS, END OF YEAR	\$ 193,310	\$ 166,024

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, 2011 AND 2010

	Year Ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers, users and grants	\$ 38,225	\$ 37,225
Cash paid to suppliers	<u>(43)</u>	<u></u>
Total	<u>38,182</u>	<u>37,225</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal payments on long-term debt	<u>(25,000)</u>	<u>(25,000)</u>
NET INCREASE IN CASH	13,182	12,225
CASH, BEGINNING OF YEAR	<u>55,771</u>	<u>43,546</u>
CASH, END OF YEAR	<u>\$ 68,953</u>	<u>\$ 55,771</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Income from operations	<u>27,286</u>	<u>27,329</u>
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	<u>500</u>	<u>(500)</u>
Total	<u>10,896</u>	<u>9,896</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 38,182</u>	<u>\$ 37,225</u>

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA
FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 JUNE 30, 2011

Agency Funds

ASSETS

Cash	<u>\$ 394,497</u>
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LIABILITIES

Due to others:	
Governmental units, retirement plans, etc.	<u>\$ 394,497</u>

See the accompanying notes to financial statements.

CANDLER COUNTY, GEORGIA

NOTES TO COMBINED FINANCIAL STATEMENTS

JUNE 30, 2011

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 October 7, 2010.

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 Balances** -

Financial Policies

The Board of Commissioners meet on a monthly basis to manage and review cash financial activities and to insure compliance with established policies. It is the County's policy to fund current expenditures with current revenues and the County's mission is to strive to maintain a diversified and stable revenue stream to protect the government from problematic fluctuations in any single revenue source and provide stability to ongoing services. The County's unassigned General Fund balance will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

The County has implemented GASB Statement No 54, Fund Balance Reporting and Governmental Fund Type Definitions, for fiscal year ended June 30, 2011 for its governmental funds. Under GASB Statement No. 54, fund balances are required to be reported according to the following classifications:

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted Fund Balance - Constraints place on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the County's highest level of decision-making authority, the Board of Commissioners.

Assigned Fund Balance - Amounts that are constrained by the County's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the Board of Commissioners, or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned Fund Balance - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

The Board of Commissioners are authorized to assign amounts for specific purposes. The Governmental Funds Balance Sheet provides details of the amounts, if any, that have been assigned for specific purposes. The Board of Commissioners are also authorized to commit amounts for purposes.

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 not incur any expenditures in excess of appropriations for the year ended June 30, 2011.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - At year-end, the carrying amount of the primary Government's deposits were \$4,479,330 and the bank balances were \$4,611,279. Of the bank balance, \$1,258,542 was covered by federal depository insurance and \$3,352,737 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 \$474,427 and the bank balances were \$490,056. Of the bank balance, \$250,000 was covered by federal depository insurance and \$240,056 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, 2011 consisted of certificate of deposits of \$1,174,535, bearing interest at .25% to 1.75% with maturities of July, 2011 through April, 2012.

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 2010 collected during the current year has been recognized as revenue.

Property taxes receivable at June 30, 2011, is composed of the following:

Year of Levy:

2010/2011	\$429,263
Prior to 2010	<u>523,380</u>
Total	952,643
Less - allowance for uncollectible	<u>95,264</u>
Net receivable	<u>\$857,379</u>

C. Accounts Receivable

Primary Government

Receivables at June 30, 2011 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	\$ 952,643		\$ 952,643
Accounts	1,098,512	\$114,592	1,213,104
Tax Commissioner	124,026		124,026
Interest	<u>3,201</u>		<u>3,201</u>
Gross receivables	2,178,382	114,592	2,292,974
Less: allowance for uncollectibles	<u>946,533</u>		<u>946,533</u>
Net total receivables	<u>\$1,231,849</u>	<u>\$114,592</u>	<u>\$1,346,441</u>

Discretely Presented Component Units

Trade receivables from the Candler County Board of Health as of June 30, 2011 are as follows:

	<u>Board of Health</u>
Receivables:	
Accounts	<u>\$ 30,989</u>
Less: allowance for uncollectibles	<u>NIL</u>
Net total receivables	<u>\$ 30,989</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	\$ 798,220
Community Center fees	<u>6,765</u>
TOTAL .	<u>\$ 804,985</u>

D. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2011 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	\$1,120,417		1,128,999
Total capital assets not being depreciated	145,658	1,120,417		1,266,075
Other capital assets:				
Buildings & other improvements	5,983,353	\$56,335		6,039,688
Machinery and equipment	3,828,191	217,283	\$216,752	3,828,722
Depreciable site improvements	1,783,767			1,783,767
Total other capital assets at historical cost	11,595,311	273,618	216,752	11,652,177
Less accumulated depreciation:				
Buildings & other improvements	1,484,216	126,829		1,611,045
Machinery and equipment	2,175,904	243,539	404,062	2,015,381
Depreciable site improvements	1,497,358	25,524		1,522,882
Total accumulated depreciation	5,157,478	395,892	404,062	5,149,308
Other capital assets, net	6,437,833	(122,274)	187,310	6,502,869
Governmental activities, capital assets, net	\$6,583,491	\$998,143	\$187,310	\$7,768,944
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	45,880	9,176		55,056
Equipment	6,022	1,220		7,242
Total accumulated depreciation	51,902	10,396		62,298
Other capital assets - net	465,035	10,396		454,639
Business-type activities, capital assets, net	\$478,503	(\$10,396)		\$468,107

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

Governmental activities:	
General government	\$ 21,058
Judiciary	206
Police protection	41,387
Detention Center	33,836
Public buildings	79,700
Roads and bridges	93,380
Garbage and trash disposal	47,073
Ambulance service	55,222
Other - EMA	5,986
Agricultural assistance	4,199
Garbage and trash collection	<u>13,845</u>
Total governmental activities depreciation expense	<u>\$ 395,892</u>

Capital asset activity for the Board of Health for the year ended June 30, 2011 was as follows:

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Other capital assets:			
Equipment	\$62,355	\$ 8,636	\$70,991
Less accumulated depreciation	<u>59,472</u>	<u>2,328</u>	<u>61,800</u>
Other capital assets, net	<u>\$ 2,883</u>	<u>\$ 6,308</u>	<u>\$ 9,191</u>

E. Interfund Receivables, Payables and Transfers

As of June 30, 2011, 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	\$ 285,733	
Sales Tax Construction Fund		\$ 246,663
Non-major Fund:		
E-911 Fund		<u>39,070</u>
TOTAL	<u>\$ 285,733</u>	<u>\$ 285,733</u>
Business-Type Activities:		
Public Bulding Fund	<u>\$ NIL</u>	<u>\$ NIL</u>

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, 2011.

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, 2011, 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, 2011, the County had drawn down \$500,000 for the construction and related cost of the Agricultural Regional Resource Center building.

During the past fiscal years, 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. This contract was paid in full during the current fiscal year.

During the current fiscal year, the County entered into an installment sale contract agreement for \$343,350 from Caterpillar Financial Services Corporation in connection with the acquisition of road equipment. The contract agreement is for a period of five (5) years, with payments of \$75,829.63 per year with 3.4% 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 \$74,308:

Primary Government:
Governmental Activities:

<u>FY Ending</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
June 30, 2012	\$122,707	\$ 99,482	\$ 23,225
June 30, 2013	122,707	103,574	19,133
June 30, 2014	122,707	107,842	14,865
June 30, 2015	122,707	112,296	10,411
June 30, 2016	122,711	116,948	5,763
June 30, 2017	<u>35,158</u>	<u>34,247</u>	<u>911</u>
TOTAL	<u>\$648,697</u>	<u>\$574,389</u>	<u>\$ 74,308</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, 2012	\$ 18,750	\$ 18,750	\$ 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	25,000	25,000	NIL
June 30, 2017 - 2021	125,000	125,000	NIL
June 30, 2022 - 2025	<u>100,000</u>	<u>100,000</u>	<u>NIL</u>
TOTAL	<u>\$ 343,750</u>	<u>\$ 343,750</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 \$1,801,433 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 \$1,214,725 will be recognized on a pro rata basis as the remaining estimated capacity of 319,030 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-six years with 48.32% 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				Amount Due	
	Original Issued	Balance 06/30/10	Additions	Reductions	Balance 06/30/11	Within One Year
Primary Government:						
Governmental Activities:						
Notes - GEFA	\$1,633,962	\$264,552		\$33,515	\$231,037	\$35,327
Closure & postclosure landfill care costs		1,644,580	\$156,853		1,801,433	
Compensated absences		103,217	13,341		116,558	
Installment sales contract	170,056	14,172	343,350	14,172	343,350	64,156
TOTAL	<u>\$2,524,018</u>	<u>\$2,026,521</u>	<u>\$513,544</u>	<u>\$47,687</u>	<u>\$2,492,378</u>	<u>\$99,483</u>
Business-type Activities:						
0% Note - OneGeorgia Authority	<u>\$500,000</u>	<u>\$368,750</u>		<u>\$25,000</u>	<u>\$343,750</u>	<u>\$18,750</u>
Component Unit:						
Compensated absences		<u>\$18,904</u>	<u>\$8,772</u>	<u>\$9,452</u>	<u>\$18,224</u>	<u>\$9,112</u>

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 a lawsuit has been 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. Also, the County attorney advises that an anticipated suit may arise from an incident that occurred at the County's jail. The County has placed its insurance carrier on notice and provided them with all requested information.

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, 2011, 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, 2011, the County paid dues of \$6,335. 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, 2011 AND 2010

	2011	June 30, 2010
<u>ASSETS</u>		
CASH	\$3,784,315	\$3,838,017
RECEIVABLES (net of allowance for uncollectibles):		
Taxes	857,379	820,528
Accounts	247,243	276,847
Tax collector	124,026	114,124
Interest	3,201	8,247
DUE FROM OTHER FUNDS	285,733	190,328
PREPAID INSURANCE	<u>35,447</u>	<u>47,529</u>
TOTAL	<u>\$5,337,344</u>	<u>\$5,295,620</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:		
Accounts payable	\$ 76,517	\$ 59,262
Payroll withholdings and accrued	46,933	45,469
Due to other funds		9,035
Deferred revenue	804,985	758,203
Total	<u>928,435</u>	<u>871,969</u>
FUND BALANCE:		
Nonspendable	35,447	47,529
Assigned to:		
Landfill closure costs	765,611	624,250
Unassigned	<u>3,607,851</u>	<u>3,751,872</u>
Total	<u>4,408,909</u>	<u>4,423,651</u>
TOTAL	<u>\$5,337,344</u>	<u>\$5,295,620</u>

CANDLER COUNTY, GEORGIA
GENERAL FUND

ANALYSIS OF CHANGES IN FUND BALANCE
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	Year Ended June 30,	
	2011	2010
FUND BALANCE, BEGINNING OF YEAR	\$4,423,651	\$5,105,058
Transfer to E-911 Fund		(226,229)
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>4,423,651</u>	<u>4,878,829</u>
ADDITIONS:		
Revenues	5,855,036	5,933,806
Loan proceeds	<u>64,156</u>	<u>81,759</u>
Total	<u>5,919,192</u>	<u>6,015,565</u>
DEDUCTIONS:		
Expenditures	<u>5,933,934</u>	<u>6,470,743</u>
FUND BALANCE, END OF YEAR	<u>\$4,408,909</u>	<u>\$4,423,651</u>

CANDLER COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	Year Ended June 30,	
	2011	2010
TAXES:		
Property	\$2,037,784	\$1,988,120
Motor vehicles	224,017	218,499
Mobile homes	17,488	30,097
Recording (real estate mortgage with maturities in excess of three years)	22,704	27,854
Local option sales tax	623,018	661,072
Malt and alcoholic beverage	79,871	84,001
Real estate transfer	5,111	6,024
Insurance premiums	259,156	266,464
Franchise	24,723	21,608
Railroad equipment tax	3,343	2,769
Financial institutions' business license tax	31,567	23,539
Total	3,328,782	3,330,047
 LICENSES AND PERMITS:		
Business (malt and alcoholic beverage licenses)	13,500	13,125
Building/land permits, etc.	15,196	10,985
Total	28,696	24,110
 INTEREST AND FEES ON TAXES:		
Interest, penalties and costs	188,756	172,085
Commissions	18,100	18,001
Collection fees - City	5,850	5,400
Total	212,706	195,486
 COURT FINES AND FEES:		
Fines:		
State Court	219,485	239,590
Superior Court	38,858	33,553
Juvenile Court	90	455
Fees:		
State and Superior Courts	50,187	52,177
Probate Court	27,900	15,712
Magistrate Court	26,539	21,103
Victim Assistance Program		10,040
Jail Surcharge	26,225	29,557
Total	389,284	402,187

Candler County, Georgia
 Statement of Revenues - For the years ended June 30, 2011 and 2010
 Page 2

	Year Ended June 30,	
	2011	2010
SHERIFF:		
Fees and costs	\$ <u>75,203</u>	\$ <u>49,292</u>
STATE AND FEDERAL GRANTS:		
Road projects		75,765
Emergency Management Assistance (EMA)	<u>5,000</u>	<u>5,000</u>
Total	<u>5,000</u>	<u>80,765</u>
OTHER:		
Proceeds from sale of sand, dirt, pipes, blades, etc.	9,346	17,880
Auto tag and title fees and penalties	14,582	14,560
Community Center	3,126	2,763
Aerial maps	650	1,364
City of Metter - Detention Center	43,333	40,000
Community Service Program	10,499	9,477
Contributions - Road project		100
Interest	17,258	38,503
Ambulance fees	818,505	841,631
Law Library	7,273	8,025
Contributions - Ga. Association of Emergency Med Services, Inc.	3,125	
Other	27,067	9,006
Landfill and garbage fees	776,036	851,421
Election fees	616	3,759
Juvenile offender program	1,113	6,880
Sale of Capital Assets	77,636	
Rentals	<u>5,200</u>	<u>6,550</u>
Total	<u>1,815,365</u>	<u>1,851,919</u>
TOTAL	<u>\$5,855,036</u>	<u>\$5,933,806</u>

CANDLER COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF EXPENDITURES
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	Year Ended June 30,	
	2011	2010
GENERAL GOVERNMENT:		
Administrative:		
Salaries	\$ 168,698	\$ 180,225
Advertising	3,929	2,389
Supplies	7,565	11,146
Travel and training	6,205	13,228
Telephone	8,744	6,846
Capital outlays		3,830
Miscellaneous	321	4,834
Computer service	6,418	5,216
Repairs and maintenance	2,028	2,082
Utilities	3,875	3,761
Dues and subscriptions	605	740
Workers' compensation insurance	1,536	1,347
Equipment leases	1,507	1,507
Group insurance	26,479	25,869
Payroll taxes	13,181	14,106
Total administrative	251,091	277,126
Office of Tax Commissioner:		
Salaries	140,768	137,327
Supplies	10,450	9,298
Computer services	9,607	6,549
Telephone	2,956	2,957
Miscellaneous		1,571
Travel and training	1,562	3,692
Dues and subscriptions	300	300
Advertising	100	275
Equipment leases	1,489	1,468
Group insurance	34,395	32,699
Payroll taxes	10,658	10,432
Workers' compensation insurance	951	946
Repairs and maintenance	3,575	2,073
Capital outlays	1,000	
Professional services	4,950	5,280
Total tax commissioner	222,761	214,867

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2011 and 2010
Page 2

	Year Ended June 30,	
	2011	2010
Office of Tax Assessors:		
Salaries	\$ 146,600	\$ 139,262
Travel and training	8,433	7,292
Supplies	8,798	7,550
Telephone	3,391	3,143
Miscellaneous	43	1,041
Dues and subscriptions	280	280
Computer services	4,825	2,504
Advertising	65	727
Equipment leases	1,681	1,681
Professional services	7,024	3,650
Payroll taxes	11,123	10,639
Workers' compensation insurance	1,809	1,931
Repairs and maintenance	13,158	11,764
Group insurance	35,097	33,330
Total tax assessors	<u>242,327</u>	<u>224,794</u>
Total	<u>716,179</u>	<u>716,787</u>

JUDICIARY:

State and Superior Court:

Salaries	213,571	213,230
Professional services	555	
Supplies	4,986	5,008
Telephone	5,000	5,643
Jury fees and costs	10,576	5,719
Miscellaneous	165	175
Travel and training	1,310	2,461
Court reporter	3,621	2,971
Contributions to operating budgets	88,912	88,912
Computer services	4,986	4,922
Indigent defense	31,352	36,965
Juvenile Court	14,898	21,455
Dues and subscriptions	250	350
Payroll taxes	16,200	16,249
Group insurance	26,291	25,837
Workers' compensation insurance	1,515	1,510
Repairs and maintenance	214	126
Equipment leases	2,800	2,800
Total State and Superior Courts	<u>427,202</u>	<u>434,333</u>

Candler County, Georgia
 Statement of Expenditures - For the years ended June 30, 2011 and 2010
 Page 3

	Year Ended June 30,	
	2011	2010
Probate Court:		
Salaries	\$ 59,652	\$ 59,076
Supplies	3,662	783
Telephone	1,913	2,114
Miscellaneous		25
Travel and training	1,117	697
Dues and subscriptions	200	200
Workers' compensation	424	502
Equipment leases	1,206	1,187
Group insurance	16,942	12,360
Professional fees	100	175
Computer services	12	12
Repairs and maintenance	353	
Payroll taxes	4,490	4,509
Total Probate Court	<u>90,071</u>	<u>81,640</u>
Magistrate Court:		
Salaries	59,380	59,029
Supplies	2,905	1,825
Telephone	1,854	1,119
Miscellaneous	568	640
Equipment leases	906	905
Group insurance	8,661	8,361
Payroll taxes	4,541	4,515
Workers' compensation insurance	523	529
Total Magistrate Court	<u>79,398</u>	<u>76,923</u>
Coroner:		
Salary and costs	<u>18,654</u>	<u>16,975</u>
Total	<u>615,265</u>	<u>609,871</u>

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2011 and 2010
Page 4

	Year Ended June 30,	
	2011	2010
POLICE PROTECTION:		
Salaries	\$ 426,366	\$ 385,783
Repairs and maintenance	30,255	12,416
Gasoline and oil	44,519	33,768
Supplies	9,857	9,348
Uniforms	4,037	653
Telephone	7,393	11,572
Capital outlays	12,952	15,182
Travel and training	3,336	4,513
Miscellaneous	2,055	718
Drug Task Force	13,405	10,826
Computer Service	2,500	2,585
Utilities	7,711	6,753
Dues and subscriptions	575	773
Equipment leases	426	426
Group insurance	75,694	69,943
Payroll taxes	32,250	29,385
Professional fees	750	355
Workers' compensation insurance	11,977	12,458
Total	<u>686,058</u>	<u>607,457</u>

DETENTION CENTER:		
Salaries	205,791	195,158
Telephone	1,174	1,443
Supplies	10,491	9,200
Utilities	30,753	27,594
Repairs and maintenance	16,354	15,007
Uniforms	805	
Travel and training	645	594
Prisoners' food	103,585	84,286
Medical costs - prisoners	14,366	18,499
Computer services	3,057	3,444
Group insurance	60,072	54,994
Payroll taxes	15,613	14,886
Miscellaneous	222	
Capital outlays	4,535	
Workers' compensation insurance	6,599	7,146
Total	<u>474,062</u>	<u>432,251</u>

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2011 and 2010
Page 5

	Year Ended June 30,	
	2011	2010
PUBLIC BUILDINGS:		
Supplies	\$ 4,793	\$ 6,450
Miscellaneous	175	
Utilities	20,057	17,900
Repairs and maintenance	8,401	13,589
Capital Outlays		664
Contractual services	<u>22,292</u>	<u>20,363</u>
Total	<u>55,718</u>	<u>58,966</u>
WELFARE:		
Dept. of Family and Children's Services	<u>9,416</u>	<u>6,834</u>
HEALTH:		
Department of Public Health	<u>105,320</u>	<u>105,389</u>
AGRICULTURAL ASSISTANCE:		
Salaries and wages	47,202	45,509
Travel and training	10,500	10,328
Utilities	2,520	2,832
Telephone	3,413	3,714
Contributions to retirement plans	4,837	4,581
Supplies and other	4,298	4,884
Rentals	4,200	4,200
Equipment leases	1,745	1,651
Capital outlays	1,337	
Payroll taxes	<u>3,776</u>	<u>3,504</u>
Total	<u>83,828</u>	<u>81,203</u>

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2011 and 2010
Page 6

	Year Ended June 30,	
	2011	2010
ROADS AND BRIDGES:		
Salaries and wages	\$ 382,716	\$ 369,389
Culverts, pipes & other materials	89,107	69,347
Capital outlays	64,156	
Repairs & maintenance of machinery	91,341	80,471
Fuel, oil and grease	154,486	126,277
Utilities	1,459	930
Telephone	5,831	7,711
Miscellaneous	922	1,835
Uniforms	6,259	5,334
Contractual services	39,500	39,500
Travel and training	73	482
Road projects		4,617
Group insurance	136,853	127,854
Payroll taxes	28,567	27,879
Workers' compensation insurance	37,076	38,929
Advertising	126	663
Total	1,038,472	901,218

GARBAGE AND TRASH DISPOSAL:		
Salaries	124,753	122,141
Materials and supplies	10,461	10,836
Repairs and maintenance	34,224	31,395
Gasoline, oil and grease	38,621	31,446
Professional services	28,812	31,704
Telephone	2,221	2,598
Miscellaneous	2,057	873
Contractual services	19,750	19,750
State assessment	4,537	5,894
Travel and training	323	1,184
Utilities	7,013	5,243
Monitoring fees	16,714	21,669
Equipment leases	409	390
Workers' compensation insurance	6,114	6,901
Group insurance	33,505	34,989
Computer services	22	395
Payroll taxes	9,190	9,179
Total	338,726	336,587

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2011 and 2010
Page 7

	Year Ended June 30,	
	2011	2010
GARBAGE AND TRASH COLLECTION:		
Salaries	\$ 17,166	\$ 16,575
Payroll taxes	1,313	1,268
Worker's compensation insurance	996	659
Supplies	702	509
Telephone	453	458
Utilities	674	741
Contractual services	247,754	283,437
Professional services	1,150	
Miscellaneous	32	548
Total	<u>270,240</u>	<u>304,195</u>
COMMUNITY CENTER:		
Salaries	3,900	3,910
Supplies	632	1,005
Telephone	615	765
Utilities	3,476	3,065
Repairs and maintenance	1,051	1,055
Travel and training	300	300
Payroll taxes	317	312
Capital outlays	4,050	
Workers' compensation insurance	72	107
Total	<u>14,413</u>	<u>10,519</u>
AMBULANCE SERVICE:		
Salaries	486,481	472,510
Professional services	611	1,115
Supplies	26,618	21,860
Telephone	5,784	7,334
Repairs and maintenance	15,088	24,065
Travel and training	5,135	3,203
Fuel	20,150	17,537
Capital outlays	1,070	104,490
Computer service	14,184	6,861
Uniforms	1,232	3,011
Dues, subscriptions, and fees	8,545	8,830
Utilities	13,156	11,025
Miscellaneous	306	1,100
Equipment leases	1,070	1,070
Group insurance	79,113	71,337
Payroll taxes	36,588	35,618
Workers' compensation insurance	16,615	16,814
Total	<u>731,746</u>	<u>807,780</u>

Candler County, Georgia
Statement of Expenditures - For the years ended June 30, 2011 and 2010
Page 8

	Year Ended June 30,	
	2011	2010
OTHER GOVERNMENTAL SERVICES AND UNALLOCATED EXPENSES:		
Candler County Library	\$ 40,527	\$ 40,932
Candler County Recreation Program	92,300	92,300
Election costs	112,006	96,268
Heart of Georgia Altamaha Regional Development Center	6,335	6,245
Association County Commissioners of Georgia	2,234	2,331
Emergency management	10,779	11,443
Rentals, etc. - soil conservation	19,107	18,505
Insurance	66,800	74,477
Professional services	60,454	53,838
Fire protection	131,604	129,000
Metter airport	23,135	34,942
Indigent burials	650	
Animal Haven	40,123	39,710
Forestry	8,359	3,574
Concerted services	6,194	6,270
Board of Equalization	1,637	1,274
Economic Development	52,530	52,530
Law Library	18,467	7,642
Victim Assistance Program	27,073	28,000
Debt service:		
Loans	61,048	797,332
Cities in Schools	5,576	5,576
Family connections	3,000	3,000
Keep Candler Beautiful Program		100
High Hope	1,000	
School drug program	3,500	11,272
Hospital Authority		(25,627)
Miscellaneous	53	752
Total	<u>794,491</u>	<u>1,491,686</u>
TOTAL	<u>\$5,933,934</u>	<u>\$6,470,743</u>

CANDLER COUNTY, GEORGIA
 CAPITAL PROJECTS FUND
SALES TAX CONSTRUCTION FUND

BALANCE SHEET, JUNE 30, 2011 AND 2010

	June 30,	
	2011	2010

ASSETS

Cash	\$1,111,312	\$1,521,158
Accounts Receivable	114,592	108,311
TOTAL .	<u>\$1,225,904</u>	<u>\$1,629,469</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable	\$ 203,998	\$ 93,079
Due to other funds	246,663	190,328
Total liabilities . . .	<u>450,661</u>	<u>283,407</u>

FUND BALANCE:

Assigned to Capital Projects	775,243	1,346,062
TOTAL .	<u>\$1,225,904</u>	<u>\$1,629,469</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, 2011 AND 2010

	Year Ended June 30,	
	2011	2010
REVENUES:		
Special sales tax	\$1,271,505	\$1,349,015
Interest	1,838	1,565
Total	<u>1,273,343</u>	<u>1,350,580</u>
EXPENDITURES:		
Capital Outlays:		
City of Metter projects	508,602	539,606
Roads and bridges		1,285
City of Pulaski	50,860	53,961
Landfill	1,120,417	6,668
Public buildings - equipment		2,679
Public works - equipment	279,194	
Public safety - equipment	107,948	
Public buildings	56,335	18,629
Total	<u>2,123,356</u>	<u>622,828</u>
Bank charges		70
Total	<u>2,123,356</u>	<u>622,898</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(850,013)	727,682
OTHER FINANCING SOURCES:		
Lease proceeds	<u>279,194</u>	<u> </u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES)	(570,819)	727,682
FUND BALANCE, BEGINNING OF YEAR	<u>1,346,062</u>	<u>618,380</u>
FUND BALANCE, END OF YEAR	<u>\$ 775,243</u>	<u>\$1,346,062</u>

CANDLER COUNTY, GEORGIA
E-911 FUND

BALANCE SHEET
 JUNE 30, 2011 AND 2010

June 30,
 2011 2010

ASSETS

CURRENT ASSETS:

Cash	\$294,788	\$213,284
Accounts receivable	19,535	17,114
Due from General Fund		9,035
Accrued interest receivable	<u>604</u>	<u>782</u>
TOTAL	<u>\$314,927</u>	<u>\$240,215</u>

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES:

Due to General Fund	\$ 39,070	
FUND BALANCE - Assigned	<u>275,857</u>	<u>\$240,215</u>
TOTAL	<u>\$314,927</u>	<u>\$240,215</u>

CANDLER COUNTY, GEORGIA
E-911 FUND

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2011 AND 2010

	June 30,	
	2011	2010
REVENUES:		
Surcharge	\$147,883	\$130,589
Interest	1,848	2,045
Total	<u>149,731</u>	<u>132,634</u>
EXPENDITURES:		
Travel, etc	559	320
Contract costs	113,530	118,328
Total	<u>114,089</u>	<u>118,648</u>
EXCESS OF REVENUES OVER EXPENDITURES	35,642	13,986
FUND BALANCE, BEGINNING OF YEAR	<u>240,215</u>	<u>226,229</u>
FUND BALANCE, END OF YEAR	<u>\$275,857</u>	<u>\$240,215</u>

CANDLER COUNTY, GEORGIA
FIDUCIARY FUNDS - AGENCY FUNDS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - JUNE 30, 2011 AND 2010

	-----COURTS-----					Tax Commissioner	-----TOTALS-----	
	Probate	State and Superior	Magistrate	Sheriff	June 30, 2011		2010	
Cash	<u>\$3,319</u>	<u>\$ 53,429</u>	<u>\$8,817</u>	<u>\$ 60,122</u>	<u>\$268,810</u>	<u>\$394,497</u>	<u>\$415,568</u>	
DUE TO OTHERS:								
Collected funds	<u>\$3,319</u>	<u>\$ 53,429</u>	<u>\$8,817</u>	<u>\$ 60,122</u>	<u>\$268,810</u>	<u>\$394,497</u>	<u>\$415,568</u>	

CANDLER COUNTY, GEORGIA
FIDUCIARY FUNDS - AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<u>ASSETS</u>				
CASH:				
Tax Commissioner	\$ 250,597	\$7,914,178	\$7,895,965	\$ 268,810
Clerk of Courts (State and Superior)	69,170	826,180	841,921	53,429
Sheriff	86,476	356,881	383,235	60,122
Probate Court	2,795	36,678	36,154	3,319
Magistrate Court	<u>6,530</u>	<u>160,897</u>	<u>158,610</u>	<u>8,817</u>
TOTAL	<u>\$ 415,568</u>	<u>\$9,294,814</u>	<u>\$9,315,885</u>	<u>\$ 394,497</u>

<u>LIABILITIES</u>				
DUE TO OTHERS:				
Governmental units, retirement plans, etc.	<u>\$ 415,568</u>	<u>\$9,294,814</u>	<u>\$9,315,885</u>	<u>\$ 394,497</u>

CANDLER COUNTY, GEORGIA
CAPITAL PROJECTS FUND
COMMUNITY DEVELOPMENT BLOCK GRANT

BALANCE SHEET, JUNE 30, 2010

ASSETS

CURRENT ASSETS:

Cash \$ 999

LIABILITIES

CURRENT LIABILITIES:

Accounts payable \$ 999

CANDLER COUNTY, GEORGIA
 CAPITAL PROJECTS FUND
COMMUNITY DEVELOPMENT BLOCK GRANT

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

REVENUES:		
CDBG Grant	\$ 14,460
EXPENDITURES:		
Administration	3,000
Construction costs	<u>11,460</u>
	Total	<u>14,460</u>
EXCESS OF REVENUES OVER EXPENDITURES		NIL
FUND BALANCE, BEGINNING OF YEAR		<u>NIL</u>
FUND BALANCE, END OF YEAR		<u>\$ NIL</u>

CANDLER COUNTY, GEORGIA
OFFICE OF TAX COMMISSIONER

STATEMENT OF CHANGES IN TAXES RECEIVABLE
2010 PROPERTY AND MOTOR VEHICLES - NOD'S TAX DIGESTS
FOR THE YEAR ENDED JUNE 30, 2011

	Total	State	County	School	City of Metter
CHARGES:					
Property tax digest	\$5,255,474	\$ 49,934	\$2,052,219	\$2,572,748	\$ 580,573
Motor vehicles	275,146	2,798	109,939	138,331	24,078
Additions to tax digest	5,001	51	1,990	2,510	450
Interest	18,857	122	11,354	6,212	1,169
Mobile homes	11,193	118	4,678	5,818	579
Timber	44,572	490	19,737	24,205	140
	<u>55,610,243</u>	<u>\$ 53,513</u>	<u>\$2,199,917</u>	<u>\$2,749,824</u>	<u>\$ 606,989</u>
TOTAL					
CREDITS:					
Remittances	\$5,019,563	\$ 44,321	\$1,973,311	\$2,462,836	\$ 539,095
Commissions - County	7,234	4,096		2,465	673
Errors and reliefs	(7,884)	(110)	(3,953)	(4,085)	264
Taxes receivable - June 30, 2011	591,235	5,743	230,002	288,614	66,876
Under (over) remitted collections	95	(537)	557	(6)	81
	<u>55,610,243</u>	<u>\$ 53,513</u>	<u>\$2,199,917</u>	<u>\$2,749,824</u>	<u>\$ 606,989</u>
TOTAL					

CANDLER COUNTY, GEORGIA
OFFICE OF TAX COMMISSIONER

STATEMENT OF CHANGES IN TAXES RECEIVABLE -
2011 MOTOR VEHICLES, MOBILE HOMES, AND TIMBER TAX DIGESTS
FOR THE YEAR ENDED JUNE 30, 2011

	Total	State	County	School	City of Metter
<u>MOTOR VEHICLES, MOBILE HOMES AND TIMBER</u>					
CHARGES:					
Motor vehicles	\$ 284,421	\$ 2,889	\$ 113,573	\$ 143,120	\$ 24,839
Timber	11,867	131	5,265	6,471	
Mobile homes	20,535	217	8,601	10,731	986
Interest	43		19	23	1
TOTAL	<u>\$ 316,866</u>	<u>\$ 3,237</u>	<u>\$ 127,458</u>	<u>\$ 160,345</u>	<u>\$ 25,826</u>
CREDITS:					
Remittances	\$ 311,543	\$ 3,006	\$ 125,689	\$ 157,829	\$ 25,019
Commissions - County	1,569	194		160	1,215
Under (over) remitted collections	3,754	37	1,769	2,356	(408)
TOTAL	<u>\$ 316,866</u>	<u>\$ 3,237</u>	<u>\$ 127,458</u>	<u>\$ 160,345</u>	<u>\$ 25,826</u>

CANDLER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2011

	Original Estimated Cost	Latest Estimated Cost	Prior Years	-Expenditures- Current Year	Total of Completion	Estimated Percentage of Completion
2006:						
Public building projects	\$ 904,000	\$ 904,000	\$ 533,071	\$ 56,335	\$ 589,406	65.21%
New equipment	1,250,000	1,250,000	819,228	387,142	1,206,370	96.51%
Public works project	883,000	1,250,000	106,668	1,120,417	1,227,085	98.17%
Drainage, roads & bridge improvements/expansions Recreation department	1,850,000	1,483,000	290,270		290,270	19.57%
projects	195,000	195,000	193,720		193,720	99.34%
City of Metter projects	3,630,000	3,630,000	2,297,724	508,602	2,806,326	77.31%
Town of Pulaski	363,000	363,000	229,773	50,860	280,633	77.31%
TOTAL	<u>\$9,075,000</u>	<u>\$9,075,000</u>	<u>\$4,470,454</u>	<u>\$2,123,356</u>	<u>\$6,593,810</u>	<u>72.66%</u>

HERMAN MONGIN

CERTIFIED PUBLIC ACCOUNTANT

117 OGLETHORPE PROFESSIONAL COURT, SUITE 1

SAVANNAH, GEORGIA 31406

(912) 352-9855

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, 2011, which collectively comprise Candler County's basic financial statements and have issued our report thereon dated March 9, 2012. 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 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 misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and

was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management, the Board of Commissioners, others within the entity, and federal awarding agencies, pass-through entities and the Georgia Department of Audits and Accounts and is not intended to be and should not be used by anyone other than these specified parties.



March 9, 2012