

EMANUEL COUNTY, GEORGIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Emanuel County, Georgia
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For The Year Ended September 30, 2011

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INDEPENDENT AUDITOR'S REPORT

The Commissioners of Roads and Revenues
Emanuel County, Georgia

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Emanuel County, Georgia, as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Emanuel County, Georgia, management. My responsibility is to express opinions on these financial statements based on my audit.


I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Emanuel County, Georgia as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 26, 2012, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my 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 my audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Emanuel County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Steve Avery". The signature is written in a cursive, flowing style.

March 26, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Emanuel County's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended September 30, 2011. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County's assets exceeded its liabilities by \$21,182,446 (net assets) for the fiscal year reported.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$8,562,926 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net assets of \$4,979,213 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net assets of \$7,640,307 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's governmental funds reported total ending fund balance of \$12,824,133 this year. This compares to the prior year ending fund balance of \$11,510,701, showing an increase of \$1,313,432 during the current year. Unassigned fund balance of \$7,719,963 for fiscal year 2011 shows a \$288,400 decrease from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,719,963, or 70.1% of total General Fund expenditures, an increase from the 60.8% at September 30, 2010.
- Overall, the County continues to maintain a strong financial position, in spite of a somewhat depressed economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the County's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and housing and development. Business-type activities include the development authorities and the revolving loan fund.

The government-wide financial statements are presented on pages 13 & 14 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The County has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 15 - 18 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the County charges customers a fee. The three County proprietary funds are classified as enterprise funds. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements.

The basic enterprise fund financial statements are presented on pages 19 – 22 of this report.

Fiduciary fund type includes the County's agency funds, which temporarily hold resources primarily for the County's constitutional officers. There is one basic statement, a "statement of fiduciary assets and liabilities" which reports the various agency funds' assets and liabilities. This statement is presented on page 23.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 24 of this report.

Required Supplementary Information (RSI)

Budgetary comparison schedule is included as "required supplementary information" for the general fund. This schedule is presented on page 45.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the County's budget presentations. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the County's adopted and final revised budget. As discussed, the County reports major funds in the basic financial statements. This schedule includes a schedule of the comparison of the general fund budget and actual in detail. Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report beginning on page 47.

Financial Analysis of the County as a Whole

The County implemented the new financial reporting model used in this report beginning with the current fiscal year ended September 30, 2011. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the County as a whole.

The County's net assets at fiscal year-end are \$20,848,572. The following table provides a summary of the County's net assets:

Summary of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets:						
Current assets	\$ 13,104,680	\$ 11,824,663	\$ 3,520,435	\$ 7,917,983	\$ 16,625,115	\$ 19,742,646
Capital assets	13,332,400	12,430,997	-	1,085	13,332,400	12,432,082
Total assets	26,437,080	24,255,660	3,520,435	7,919,068	29,957,515	32,174,728
Liabilities:						
Current liabilities	2,096,060	1,824,728	562,933	648,469	2,658,993	2,473,197
Long-term liabilities	5,679,508	4,658,447	436,568	4,222,408	6,116,076	8,880,855
Total liabilities	7,775,568	6,483,175	999,501	4,870,877	8,775,069	11,354,052
Net assets:						
Invested in capital assets, net of debt	8,562,926	7,500,010	-	1,085	8,562,926	7,501,095
Restricted	4,979,213	236,018	-	-	4,979,213	236,018
Unrestricted	5,119,373	10,036,457	2,520,934	3,047,106	7,640,307	13,083,563
Total net assets	\$ 18,661,512	\$ 17,772,485	\$ 2,520,934	\$ 3,048,191	\$ 21,182,446	\$ 20,820,676

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 5.8 to 1 in fiscal year 2011 as compared to 6.5 to 1 in fiscal year 2010. The current ratio for business-type activities is 6.3 to 1 in fiscal year 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For the Year Ended September 30, 2011

Emanuel County, Georgia

as compared to 12.2 to 1 in fiscal year 2010. For the County overall, the current ratio is 5.9 to 1 in fiscal year 2011 as compared to 8 to 1 in fiscal year 2010. These ratios are very strong.

The governmental activities net assets increased \$888,027 and decreased by \$527,257 for business-type activities. The County's overall financial position increased by \$361,770 during fiscal year 2011.

Note that approximately 42.6% of the governmental activities' net assets are tied up in capital. The County uses these capital assets to provide services to its citizens. Business-type activities "investment in capital assets, net of related debt" is zero since all of these capital assets are zero as they are fully depreciated and they have no outstanding debt.

The following table provides a summary of the County's changes in net assets:

	Governmental		Business Type		Total	
	2011	2010	2011	2011	2011	2010
Revenues:						
Program:						
Charges for Services	\$ 1,786,624	\$ 2,164,353	\$ 66,361	\$ 1,786,624	\$ 2,230,714	
Operating Grants	688,000	539,870	575,050	531,942	1,263,050	1,071,812
Capital Grants			831,607		831,607	-
General:						
Taxes	10,027,563	10,736,969			10,027,563	10,736,969
Other	519,912	403,693	5,380	46,863	525,292	450,556
Total Revenues	13,022,099	13,844,885	1,412,037	645,166	14,434,136	14,490,051
Program Expenses:						
General Government	2,814,038	2,444,191			2,814,038	2,444,191
Judicial	1,225,870	1,237,187			1,225,870	1,237,187
Public Safety	2,847,648	3,316,843			2,847,648	3,316,843
Public Works	2,434,711	3,011,708			2,434,711	3,011,708
Health and Welfare	1,222,310	1,074,374			1,222,310	1,074,374
Culture and Recreation	474,367	594,006			474,367	594,006
Housing and Development	881,474	312,258			881,474	312,258
Interest	232,654	231,135			232,654	231,135
Development Authorities	-	-	1,939,294	1,345,989	1,939,294	1,345,989
Total Expenses	12,133,072	12,221,702	1,939,294	1,345,989	14,072,366	13,567,691
Excess of Revenues Over Expense	889,027	1,623,183	(527,257)	(700,823)	361,770	922,360
Beginning net assets	17,772,485	16,149,302	3,048,191	3,749,014	20,820,676	19,898,316
Ending Net Assets	\$ 18,661,512	\$ 17,772,485	\$ 2,520,934	\$ 3,048,191	\$ 21,182,446	\$ 20,820,676

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes totaling \$5,301,606 and provided 35.7% of the County's total governmental revenues for fiscal year 2011 as compared to \$5,789,072 or 41.8% for fiscal year 2010. Sales taxes are the second largest revenue source with approximately \$4 million of revenues or 27.2% of the total as compared to approximately \$4 million of revenues or 28.6% of the total for fiscal year 2010. Because of the County's healthy financial position, we have been able to earn \$74,140 in interest earnings to support governmental activities as compared to \$229,534 in fiscal year 2010.

The County recognized operating grants of \$688,000. This amount includes a U.S. Department of Justice grant of \$100,000, a state GBI District Attorney Grant of \$197,730 and Emanuel County serving as fiscal agent for a \$377,680 East Central Georgia Drug Task Force.

Also, note that program revenues cover only 20.9% of governmental operating expenses, up from 22.1% in fiscal year 2010. This means that the government's taxpayers and the County's other general governmental revenues fund 79.1% of the governmental activities. As a result, the general economy and the county businesses have a major impact on the County's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

Approximately 52.4% of the County's expenses are used for public safety and public works. Public safety spends over \$3.2 million or 23.6% of total governmental activities expenses and the public works function spends approximately \$3.9 million or 28.8% of the same total amount. The general government function totals approximately \$2.5 million or 18.3% of total governmental expenses.

This table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
General Government	2,814,038	2,444,191	2,489,614	2,221,870
Judicial	1,225,870	1,237,187	589,885	919,832
Public Safety	2,847,648	3,316,843	1,625,000	1,723,330
Public Works	2,434,711	3,011,708	2,143,144	2,537,505
Health and Welfare	1,222,310	1,074,374	1,222,310	977,543
Culture and Recreation	474,367	594,006	474,367	594,006
Housing and Development	881,474	312,258	881,474	312,258
Interest	232,654	231,135	232,654	231,135
Total Expenses	<u>12,133,072</u>	<u>12,221,702</u>	<u>9,658,448</u>	<u>9,517,479</u>

After reducing gross expenses by program revenues, public safety totals 16.8% of the net cost of services, down from 25.7% of the gross costs because this function generates approximately \$1.6 million in charges for services, which includes charges from prisoner care and fines. The net public works costs total 22.2% of the total of these costs, as compared to 19.5% of gross costs.

BUSINESS-TYPE ACTIVITIES

The County operates three business-type activities, two development authorities and a revolving loan program. The *Development Authority of Emanuel County and the City of Swainsboro* administers most development projects while the *Emanuel County Development Authority* provides the financing of the project.

Development Authority of Emanuel County and the City of Swainsboro – This Authority promotes business and industry in the County. In fiscal year 2011, the “*Development Authority of Emanuel County and the City of Swainsboro*” fund received grants from the County totaling \$831,607, \$500,000 was for Nordson Company and the balance is for operating expenses. This fund reported an operating loss of \$1,897,437 before non-operating revenue (expense) and a net decrease in assets of \$527,492.

Emanuel County Development Authority – This Authority promotes business and industry in the County by providing financing and incentive packages. In fiscal year 2011, the “*Emanuel County Development Authority*” fund spent \$40,857 on interest. This fund reported an operating income of \$40,857 before non-operating revenue (expense) and no change in net assets for this fiscal year ended September 30, 2011. This fund retired debt principal of \$485,959. This debt relates to promotion of industrial development. This fund reports ending net assets of \$448,753.

Emanuel County Revolving Loan Fund – This fund promotes business and industry by providing direct loans to businesses located with the County. At September 30, 2011, this fund reports net assets of \$491,163, which is cash of \$173 and a revolving loan receivable of \$490,990 from Hot Set, a German Company.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$12,824,133 at September 30, 2011 as compared to \$8,008,363 at September 30, 2010. Of this year-end total, \$7,719,963 is unassigned indicating availability for continuing County service requirements. In addition, \$124,957 is classified as nonspendable for inventory and restricted is \$497,923, most for capital projects.

The total ending fund balances of governmental funds report an increase of \$1,313,432 or 11.4% over the prior year amount. The general fund accounted for a decrease of \$270,258 and an increase in the SPLOST fund of \$1,550,932.

Major Governmental Funds

General Fund - The general fund is the County's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance decreased by \$270,258 or 3.3% as compared to a decrease of \$8,338 or 1/10th of 1% in fiscal year 2010.

Property taxes in fiscal year 2011 decreased by \$494,579. This decrease relates primarily to a reduction in the millage rate since the County is no longer financing the Emanuel County hospital bonds.

The general fund's local option sales taxes increased \$81,651 above the fiscal year 2010 amount. The decrease in fiscal year 2010 was \$87,829. Fines and forfeitures decreased by about \$37,000.

Most other revenue streams were consistent with that of fiscal year 2010.

On the expenditure side, total general fund expenditures increased \$2,432,858 or 23.7% more than fiscal year 2010, primarily related to capital outlay costs.

Uniform patrol costs were reduced by \$145,000 since in fiscal year 2010; the County had a grant and purchased five vehicles.

The costs for the health centers increased \$174,000 or 20.8% due to the addition of bond expense.

The general fund's ending unassigned fund balance of \$7,719,963 at September 30, 2011 is very strong, representing the equivalent of 60.8% of annual general fund expenditures as compared to 78.1% at September 30, 2010.

SPLOST Fund – This fund accounts for the voter approved special purpose local option sales taxes to retire \$8,765,000 in general obligation sales tax bonds. The fund also accounts for the construction of approved projects. In fiscal year 2011, the County incurred capital expenditures of \$605,781.

This fund also shared this revenue stream with cities located within the County totaling \$295,392 and incurred debt service costs of \$1,854,204. At September 30, 2011, the fund balance was \$4,797,086.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, the analysis is presented above.

Budgetary Highlights

The General Fund – We did not find it necessary to amend the fiscal year 2011. Revenue recognition was \$125,028 below the final budget. Charges for services were \$259,070 below the budget. In total, the County realized 98.8% of the estimated revenues as compared to 95.2% of the estimated revenues. Most revenue sources were similar to the adopted budget.

The expenditure side of the budget for the general fund was over spent by \$1,677,486 or 15.2%.

The superior court budget was overspent by \$146,936 due to the district attorney grant, which was not budgeted. The total public safety budget was underspent by \$242,374. Uniform patrol costs were \$139,118 under the budget. The EMS operations costs were \$80,307 below budget as efforts are being made to better match expenditures with program revenues.

Economic development expenditures exceeded the budget by \$496,047. This difference relates to a contribution to Nordson, which was not budgeted.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental activities as of September 30, 2011, was \$13,332,400. The total increase in this net investment was \$901,410 or 7.3% for governmental activities. The business-type activities' capital assets are fully depreciated. See Note III-C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For the Year Ended September 30, 2011

Emanuel County, Georgia

	Capital Assets					
	Governmental Activities		Business Activities		Total	
	2011	2010	2011	2010	2011	2010
Non-depreciable assets:						
Land	\$ 878,274	\$ 878,274	\$ -	\$ -	\$ 878,274	\$ 878,274
Depreciable assets:						
Buildings and improvements	9,460,432	9,430,989	-	-	9,460,432	9,430,989
Equipment and vehicles	8,071,975	7,384,540	34,522	34,522	8,106,497	7,419,062
Infrastructure	1,618,154	1,204,186	-	-	1,618,154	1,204,186
Total depreciable assets	19,150,561	18,019,715	34,522	34,522	19,185,083	18,054,237
Less accumulated depreciation	6,696,435	6,466,992	34,522	33,437	6,730,957	6,500,429
Book value - depreciable assets	12,454,126	11,552,723	-	1,085	12,454,126	11,553,808
Percentage depreciated	35%	36%	100%	97%	35%	36%
Book value - all assets	\$ 13,332,400	\$ 12,430,997	\$ -	\$ 1,085	\$ 13,332,400	\$ 12,432,082

At September 30, 2011, the depreciable capital assets for governmental activities were 35% depreciated. This compares closely to the September 30, 2010 percentage. This comparison indicates that the County is replacing its assets at the same rate as they are depreciating which is a positive indicator.

The major increases in governmental activities capital assets were in equipment and vehicles as follows:

- Seven new motor graders
- Mack Hercules
- Three sheriff vehicles

Long-term Debt

During fiscal year 2011, the County retired their capital \$1,600,000 of general obligation bonds. The County issued \$1,590,000 in sales tax bonds during this fiscal year. At the end of the fiscal year, the County had general obligation sales tax bonds outstanding of \$4,750,000.

The following table presents comparisons of the County's outstanding debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For the Year Ended September 30, 2011

Emanuel County, Georgia

Outstanding Borrowings

	Governmental Activities		Business-type Activities		Totals		% Change
	2011	2010	2011	2010	2011	2010	
Capital leases	\$ 1,379,848	\$ 140,986	\$ -	\$ -	\$ 1,379,848	\$ 140,986	879%
General obligation bonds	4,750,000	4,790,000	-	-	4,750,000	4,790,000	-1%
Loan	199,626	-	-	-	199,626	-	100%
Revenue bonds	-	-	837,868	4,707,349	837,868	4,707,349	-82%
Landfill closure and postclosure care	1,184,216	1,234,201	-	-	1,184,216	1,234,201	-4%
Compensated absences	149,759	138,400	-	-	149,759	138,400	8%
Total	\$ 7,663,449	\$ 6,303,587	\$ 837,868	\$ 4,707,349	\$ 8,501,317	\$ 11,010,936	-23%

See Note III-F for additional information about the County's long-term debt.

Economic Conditions Affecting the County

The County is physically located in the mid-eastern portion of the State of Georgia, 182 miles southeast of the State capitol, Atlanta, Georgia. The County's land area is 686 square miles with 31.8 persons per square mile. This compares favorable with the State of Georgia's rate of 141.4 persons per square mile. We are a rural County. The 2010 population was 23,075, which has risen from 21,837 in 2000. The County seat is Swainsboro, Georgia, which makes up approximately 31% of the County's population. Services are the largest employment sector providing 70% of the jobs. Statewide, the service industry provides 83% of the jobs.

Since the County relies primarily on property and sales taxes for its operating revenue, changes in the economy definitely affect these revenue streams. Since sales taxes are, an "elastic revenue stream," in a sluggish economy, the sales tax revenues is reduced immediately. Property taxes are considered "inelastic" in the short-term; this revenue stream is more stable. Fortunately, for the County, because of its revenue stream makeup, it is able to survive financially in a slow economy.

The 2008 County per capita personal income is \$24,200, or 66.6% of the State of Georgia per capita income and 60% of the United States per capita personal income. Our County is 125th out of 159 counties in Georgia. Out of approximately 3,000 counties in the United States, our County ranks 2,848th, or one of the poorest counties nationwide. Per capita income is total personal income (including wages, dividends, interest, rent, and government payments) divided by the total population. It is commonly used as an indicator of the quality of consumer markets and the economic well being of a community.

In September 2010, employment totaled 8,766. At September 30, 2011, the unemployment rate in our County was 11.3% as compared to the State of Georgia's rate, which is 9.9%.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Administrator at 101 North Main Street, Swainsboro, Georgia 30401.

EMANUEL COUNTY, GEORGIA
STATEMENT OF NET ASSETS
September 30, 2011

	Primary Government			Component
	Governmental	Business-		Unit
	Activities	type	Total	Governmental
		Activities		Activities
Assets				
Cash	\$ 6,776,024	\$ 696,268	\$ 7,472,292	\$ 465,970
Investments	4,505,230	-	4,505,230	51,466
Receivables (Net where applicable, of allowance for uncollectibles)		-		-
Taxes	187,928	-	187,928	-
Accounts	46,217	-	46,217	-
Intergovernmental	1,427,256	-	1,427,256	-
Accruals	-	6,942	6,942	-
Notes	-	1,520,880	1,520,880	-
Inventory	124,956	1,296,345	1,421,301	-
Restricted assets				
Cash	37,069	-	37,069	-
Investments	-	-	-	-
Capital assets				
Nondepreciable capital assets	878,274	-	878,274	-
Depreciable capital assets, net	12,454,126	-	12,454,126	-
Total Assets	\$ 26,437,080	\$ 3,520,435	\$ 29,957,515	\$ 517,436
Liabilities				
Current Liabilities				
Accounts payable	\$ 146,715	\$ 1,696	\$ 148,411	\$ 91
Accrued liabilities	111,914	6,662	118,576	-
Current portion of long-term debt	1,983,941	401,300	2,385,241	-
Escrow funds	6,765	-	6,765	-
Internal balances	(153,275)	153,275	-	-
Long-Term Liabilities				
Compensated absences	37,440	-	37,440	55,434
Leases payable	1,252,852	-	1,252,852	-
Landfill costs	1,184,216	-	1,184,216	-
Bonds payable	3,205,000	436,568	3,641,568	-
Total Liabilities	7,775,568	999,501	8,775,069	55,525
Net Assets				
Invested in capital assets, net of related debt	8,562,926	-	8,562,926	-
Restricted for:				
Capital projects	4,797,086		4,797,086	
Public safety	181,762		181,762	
Program purposes	365	-	365	-
Unrestricted	5,119,373	2,520,934	7,640,307	461,911
Total Net Assets	\$ 18,661,512	\$ 2,520,934	\$ 21,182,446	\$ 461,911

See accompanying notes to the basic financial statements.

EMANUEL COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2011

Functions	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
General government	\$ 2,814,038	\$ 324,424			\$ (2,489,614)	\$ -	\$ (2,489,614)	\$ -
Judicial	1,225,870	532,770	103,215		(589,885)	-	(589,885)	-
Public safety	2,847,648	637,863	584,785		(1,625,000)	-	(1,625,000)	-
Public works	2,434,711	291,567			(2,143,144)	-	(2,143,144)	-
Health and welfare	1,222,310		-		(1,222,310)	-	(1,222,310)	-
Culture/recreation	474,367				(474,367)	-	(474,367)	-
Housing and development	881,474				(881,474)	-	(881,474)	-
Interest and Issuance Costs	232,654	-	-	-	(232,654)	-	(232,654)	-
Total Governmental Activities	<u>12,133,072</u>	<u>1,786,624</u>	<u>688,000</u>	<u>-</u>	<u>(9,658,448)</u>	<u>-</u>	<u>(9,658,448)</u>	<u>-</u>
Business-Type Activities								
Development Authorities	1,939,294	575,050	831,607	-	-	(532,637)	(532,637)	-
Revolving Loan	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>1,939,294</u>	<u>575,050</u>	<u>831,607</u>	<u>-</u>	<u>-</u>	<u>(532,637)</u>	<u>(532,637)</u>	<u>-</u>
Total - Primary Government	<u>\$14,072,366</u>	<u>\$2,361,674</u>	<u>\$ 1,519,607</u>	<u>\$ -</u>	<u>(9,658,448)</u>	<u>(532,637)</u>	<u>(10,191,085)</u>	<u>-</u>
Component Unit								
Emanuel County								
Health Department	<u>\$ 953,239</u>	<u>\$ 214,738</u>	<u>\$ 791,501</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,000</u>
General Revenues								
Property taxes					5,301,606	-	5,301,606	-
Sales taxes					4,043,370	-	4,043,370	-
Insurance premium taxes					492,927	-	492,927	-
Other taxes					188,660	-	188,660	-
Investment earnings					74,140	5,380	79,520	1,145
Miscellaneous					446,772	-	446,772	280
Total General Revenues					<u>10,547,475</u>	<u>5,380</u>	<u>10,552,855</u>	<u>1,425</u>
Change in Net Assets					889,027	(527,257)	361,770	54,425
Net Assets - October 1					<u>17,772,485</u>	<u>3,048,191</u>	<u>20,820,676</u>	<u>407,486</u>
Net Assets - September 30					<u>\$ 18,661,512</u>	<u>\$ 2,520,934</u>	<u>\$ 21,182,446</u>	<u>\$ 461,911</u>

See accompanying notes to the financial statements.

EMANUEL COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2011

	General	SPLOST	Other Governmental Funds	Total
Assets				
Cash	\$ 2,350,542	\$ 4,326,753	\$ 98,729	\$ 6,776,024
Investments	4,505,230	-	-	4,505,230
Receivables (Net where applicable, of allowance for uncollectibles):				
Taxes	187,928	-	-	187,928
Accounts	46,217	-	-	46,217
Intergovernmental	716,436	498,075	109,079	1,323,590
Interfund	275,857	-	-	275,857
Inventory	124,956	-	-	124,956
Restricted assets				
Cash	37,069	-	-	37,069
Investments	-	-	-	-
Total Assets	<u>\$ 8,244,235</u>	<u>\$ 4,824,828</u>	<u>\$ 207,808</u>	<u>\$ 13,276,871</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 146,715	\$ -	\$ -	\$ 146,715
Accrued liabilities	84,172	27,742	-	111,914
Escrow funds	-	-	6,765	6,765
Interfund payables	-	-	18,916	18,916
Deferred revenue	168,428	-	-	168,428
Total Liabilities	<u>399,315</u>	<u>27,742</u>	<u>25,681</u>	<u>452,738</u>
Fund Balances:				
Nonspendable	124,957	-	-	124,957
Restricted	-	4,797,086	182,127	4,979,213
Unassigned	7,719,963	-	-	7,719,963
Total Fund Balances	<u>7,844,920</u>	<u>4,797,086</u>	<u>182,127</u>	<u>12,824,133</u>
Total Liabilities and Fund Balances	<u>\$ 8,244,235</u>	<u>\$ 4,824,828</u>	<u>\$ 207,808</u>	<u>\$ 13,276,871</u>

See accompanying notes to the basic financial statements.

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

Total Governmental Fund Balance		\$ 12,824,133
Amounts Reported for Governmental Activities in the Statement of Activities are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	\$ 20,028,835	
Less accumulated depreciation	<u>(6,696,435)</u>	13,332,400
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Property taxes		168,428
Liabilities, including leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds but are reported in the statement of net assets:		
Landfill postclosure costs	(1,184,216)	
Bonds payable	(4,750,000)	
Capital leases payable	(1,379,848)	
Note payable	(199,626)	
Compensated absences	<u>(149,759)</u>	<u>(7,663,449)</u>
Net Assets of Governmental Activities		<u>\$ 18,661,512</u>

See accompanying notes to the basic financial statements.

EMANUEL COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2011

	General	SPLOST	Other Governmental Funds	Total
Revenue				
Taxes	\$ 7,267,703	\$ 2,724,807	\$ -	\$ 9,992,510
Licenses and permits	20,025	-	-	20,025
Intergovernmental	310,321	-	377,680	688,001
Charges for services	1,233,829	-	-	1,233,829
Fines and forfeitures	532,770	-	-	532,770
Investment income	52,638	21,502	-	74,140
Miscellaneous	174,568	-	89	174,657
Total Revenue	<u>9,591,854</u>	<u>2,746,309</u>	<u>377,769</u>	<u>12,715,932</u>
Expenditures				
Current:				
General government	2,405,814	-	55,798	2,461,612
Judicial	1,154,199	-	-	1,154,199
Public safety	2,091,191	-	289,213	2,380,404
Public works	1,710,125	-	-	1,710,125
Health and welfare	1,205,553	-	-	1,205,553
Culture and recreation	457,658	-	-	457,658
Housing and development	849,195	-	-	849,195
Intergovernmental	-	295,392	-	295,392
Capital outlay	2,211,663	605,781	-	2,817,444
Debt service:				
Principal	127,963	1,623,866	-	1,751,829
Interest	2,316	181,504	-	183,820
Bond issuance costs	-	48,834	-	48,834
Total Expenditures	<u>12,215,677</u>	<u>2,755,377</u>	<u>345,011</u>	<u>15,316,065</u>
Excess (deficiency) of revenues over expenditures	<u>(2,623,823)</u>	<u>(9,068)</u>	<u>32,758</u>	<u>(2,600,133)</u>
Other Financing Sources (Uses)				
Transfers in (out)	(102,751)			(102,751)
Inception of capital leases	1,390,690	-	-	1,390,690
Issuance of bonds		1,560,000		1,560,000
Loan proceeds	199,626			199,626
Proceeds from equipment sale	866,000	-	-	866,000
Total Other Financing Sources (Uses)	<u>2,353,565</u>	<u>1,560,000</u>	<u>-</u>	<u>3,913,565</u>
Net Change in Fund Balances	(270,258)	1,550,932	32,758	1,313,432
Fund Balances - October 1	8,115,178	3,246,154	149,369	11,510,701
Fund Balances - September 30	<u>\$ 7,844,920</u>	<u>\$ 4,797,086</u>	<u>\$ 182,127</u>	<u>\$ 12,824,133</u>

See accompanying notes to the basic financial statements.

EMANUEL 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 September 30, 2011

Net Changes in Fund Balances - Total Governmental Funds: \$ 1,313,432

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets that exceed the capitalization threshold is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differed from depreciation expense in the current period.

Depreciation expense	\$ (716,367)	
Capital outlay	<u>2,211,656</u>	1,495,289

The book value of the capital assets written off is not reported on the governmental fund operating statement but is written off on the government-wide statement of activities		(593,886)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes:		
Deferred @ October 1	(134,375)	
Deferred @ September 30	<u>168,428</u>	34,053

Compensated absences 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.

Liability @ October 1	138,400	
Liability @ September 30	<u>(149,759)</u>	(11,359)

Landfill postclosure payable reported in the statement of activities, does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds.

Liability @ October 1	1,234,201	
Liability @ September 30	<u>(1,184,216)</u>	49,985

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		1,751,829
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The issuance of long-term debt is reported as an other financing source at the fund financial reporting level but reclassified as a liability at the government-wide financial reporting level.		<u>(3,150,316)</u>
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Changes in Net Assets		<u>\$ 889,027</u>
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See accompanying notes to the basic financial statements.

EMANUEL COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2011

	Development Authority of Emanuel County and City of Swainsboro	Emanuel County Development Authority	Emanuel County Revolving Loan	Total
Assets				
Current Assets:				
Cash	\$ 695,889	\$ 206	\$ 173	\$ 696,268
Investments	-	-	-	-
Receivables:				
Interfund	57,886	416,705	-	474,591
Accrued Interest	-	6,942	-	6,942
Notes, current portion	4,222	501,300	-	505,522
Land and building for resale	1,205,634	90,711	-	1,296,345
Total Current Assets	<u>1,963,631</u>	<u>1,015,864</u>	<u>173</u>	<u>2,979,668</u>
Noncurrent Assets:				
Noncurrent portion of notes	37,800	486,568	490,990	1,015,358
Capital Assets:				
Depreciable capital assets, net	-	-	-	-
Total Noncurrent Assets	<u>37,800</u>	<u>486,568</u>	<u>490,990</u>	<u>1,015,358</u>
Total Assets	<u>\$ 2,001,431</u>	<u>\$ 1,502,432</u>	<u>\$ 491,163</u>	<u>\$ 3,995,026</u>
Liabilities				
Current Liabilities:				
Accounts payable	\$ 1,696	\$ -	\$ -	\$ 1,696
Accrued payables	2,012	4,650	-	6,662
Notes/bonds payable				
current portion	-	401,300	-	401,300
Interfund payables	416,705	211,161	-	627,866
Total Current Liabilities	<u>420,413</u>	<u>617,111</u>	<u>-</u>	<u>1,037,524</u>
Long-term Liabilities:				
Notes/bonds payable				
noncurrent portion	-	436,568	-	436,568
Total Liabilities	<u>420,413</u>	<u>1,053,679</u>	<u>-</u>	<u>1,474,092</u>
Net Assets				
Invested in capital assets				
net of related debt	-	-	-	-
Unrestricted	1,581,018	448,753	491,163	2,520,934
Total Net Assets	<u>\$ 1,581,018</u>	<u>\$ 448,753</u>	<u>\$ 491,163</u>	<u>\$ 2,520,934</u>

See accompanying notes to the basic financial statements.

EMANUEL COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2011

	Development Authority of Emanuel County and City of Swainsboro	Emanuel County Development Authority	Emanuel County Revolving Loan	Total
Operating Revenues				
Charges for services	\$ -	\$ 40,857		\$ 40,857
Other income	1,020	-	-	1,020
Total Operating Revenues	1,020	40,857	-	41,877
Operating Expenses				
Personnel services	70,649	-	-	70,649
Other services and supplies	1,824,622	-	-	1,824,622
Utilities	2,081	-	-	2,081
Depreciation	1,085	-	-	1,085
Total Operating Expenses	1,898,437	-	-	1,898,437
Operating Income (Loss)	(1,897,417)	40,857	-	(1,856,560)
Non-Operating Revenues (Expenses)				
Investment earnings	5,145	-	235	5,380
Gain on Property Sales	42,183	-		42,183
Revolving Loan for Hotset	490,990			
Grants	831,607	-	-	831,607
Interest expense	-	(40,857)	-	(40,857)
Total Non-Operating Revenues (Expenses)	1,369,925	(40,857)	235	1,329,303
Income (Loss) before Transfers	(527,492)	-	235	(527,257)
Transfers In(out)	-	-	-	-
Change in Net Assets	(527,492)	-	235	(527,257)
Net Assets - October 1	2,108,510	448,753	490,928	3,048,191
Net Assets - September 30	\$ 1,581,018	\$ 448,753	\$ 491,163	\$ 2,520,934

See accompanying notes to the basic financial statements.

EMANUEL COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2011

	Development Authority of Emanuel County and City of Swainsboro	Emanuel County Development Authority	Emanuel County Revolving Loan	Total
Increase (Decrease) in Cash				
Cash Flows From				
Operating Activities				
Cash received from customers	\$ 40,407	\$ 485,959	\$ -	\$ 526,366
Industrial development loans	-	-	-	-
Payments for personnel services	(69,487)	-	-	(69,487)
Payments for goods and services	<u>(1,454,384)</u>	<u>-</u>	<u>-</u>	<u>(1,454,384)</u>
Net Cash Provided by (Used in)				
Operating Activities	<u>(1,483,464)</u>	<u>485,959</u>	<u>-</u>	<u>(997,505)</u>
Cash Flows From Noncapital				
Financing Activities				
Grants	1,369,925	-	-	1,369,925
Transfers In	-	-	(490,990)	(490,990)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in)				
Noncapital Financing Activities	<u>1,369,925</u>	<u>-</u>	<u>(490,990)</u>	<u>878,935</u>
Cash Flows from Capital and				
Related Financing Activities				
Purchase of capital assets	-	-	-	-
Interest paid	-	(41,956)	-	(41,956)
Bond expense	-	-	-	-
Principal paid on notes/bonds	<u>-</u>	<u>(485,959)</u>	<u>-</u>	<u>(485,959)</u>
Net Cash Provided (Used in) Capital				
and Related Financing Activities	<u>-</u>	<u>(527,915)</u>	<u>-</u>	<u>(527,915)</u>
Cash Flows from Investing Activities				
Purchase of investments	-	-	-	-
Investment earnings	<u>360,640</u>	<u>41,956</u>	<u>235</u>	<u>402,831</u>
Net Cash Provided by (Used in)				
Investing Activities	<u>360,640</u>	<u>41,956</u>	<u>235</u>	<u>402,831</u>
Net Increase (Decrease) in Cash	247,101	-	(490,755)	(243,654)
Cash - October 1	<u>448,788</u>	<u>206</u>	<u>490,928</u>	<u>939,922</u>
Cash - September 30	<u>\$ 695,889</u>	<u>\$ 206</u>	<u>\$ 173</u>	<u>\$ 696,268</u>

See accompanying notes to the basic financial statements.

EMANUEL COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2011

	Development Authority of Emanuel County and City of Swainsboro	Emanuel County Development Authority	Emanuel T-CF Revolving Loan	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities				
Operating Income (Loss)	(1,897,417)	485,959	-	(1,411,458)
Adjustments:				
Depreciation	1,085	-	-	1,085
(Increase) Decrease in Assets:				
Accrued interest	-	-	-	-
Notes receivable	39,387	-	-	39,387
Land and building for resale	374,276	-	-	374,276
Increase (Decrease) in Liabilities:				
Accounts payable	(1,957)	-	-	(1,957)
Accrued liabilities	1,162	-	-	1,162
Net Cash Provided by Operating Activities	<u>\$ (1,483,464)</u>	<u>\$ 485,959</u>	<u>\$ -</u>	<u>\$ (997,505)</u>

See accompanying notes to the basic financial statements.

EMANUEL COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
FIDUCIARY FUNDS
September 30, 2011

Assets

Cash	\$ 226,337
Taxes receivable (net)	<u>391,474</u>

Total Assets	<u>\$ 617,811</u>
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Liabilities

Due to other governments	\$ 423,424
Due to others	139,879
Escrow deposits held in custody	<u>54,478</u>

Total Liabilities	<u>\$ 617,781</u>
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See accompanying notes to the basic financial statements.

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the County are discussed 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 of the significant changes in the Statement include the following.

A. Reporting entity

The County is a political subdivision of the State of Georgia and is governed by a five member Board of County Commissioners. All five members represent a geographical district within the County. There are additional officers elected countywide. State law pertaining to county government provides for the independent election of these county officials. The officials are all part of the County’s legal entity. These elected officials are the Sheriff, Tax Commissioner, Magistrate Court Judge, Probate Court Judge, and Superior Court Clerk. The offices of the independently elected officials are not separate from the County and therefore are reported as part of the primary government.

The state constitution and state law pertaining to county government provide for the independent election of the Superior Court Judges and the District Attorney. The cost of operations of the Superior Court Judges and the District Attorney Offices is shared with the State of Georgia and the counties of Candler, Emanuel, Jefferson, Toombs and Washington. Only that portion of the cost for which the County is responsible is reported in these financial statements.

The financial reporting entity consists of (a) primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The nucleus of a financial reporting entity usually is a primary government; however, a governmental organization other than a primary government (such as a component unit, a joint venture, a jointly governed organization, or another stand alone government) serves as the nucleus for its own reporting entity when it issues separate financial statements.

The County has met the criteria for classification as a primary government. The County has a separately elected governing body, is legally separate and is fiscally independent of other state and local governments. All funds, institutions, agencies, departments, and offices that are not legally separate of the primary government, for financial reporting purposes, are part of the primary government and are included in the financial statements of the County.

EMANUEL COUNTY, GEORGIA
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For the Year Ended September 30, 2011

1. Blended Component units (all of which are major funds).

Development Authority of Emanuel County and the City of Swainsboro: Promotes business and industry in Emanuel County by providing financing and incentive packages for Emanuel County. A majority of the Board of Directors is appointed by the Emanuel County Commissioners.

Emanuel County Development Authority: Promotes business and industry in Emanuel County by providing financing and incentive packages for Emanuel County. The Board of Directors is appointed by the Emanuel County Commissioners.

Emanuel County Revolving Loan Fund: Promotes business and industry by providing direct loans to businesses in Emanuel County.

Separate financial statements for blended component units may be obtained from the Emanuel County Administrator, at Emanuel County, Georgia.

2. Discretely presented component units

The component unit column in the government-wide financial statements includes the financial data of other units. It is reported in a separate column to emphasize that they are legally separate from the County.

Emanuel County Health Department is a component unit of Emanuel County, Georgia. The Georgia Department of Audits, Local Government Audit Section, has ruled that county boards of health should be considered component units of county government for financial reporting purposes. The following factors support the ruling that the Emanuel County Health Department be included in the reporting entity:

The County Commission appoints members of the Board of Health; the County Chairman of the Commission, the Mayor of the City of Swainsboro and the Emanuel County School Superintendent are also Board members by virtue of office.

The County provides funding annually in an amount sufficient to equal the required local match funds as designated by the Georgia Department of Human Resources.

Complete financial statements may be obtained from:

Emanuel County Health Department
P. O. Box 436
Swainsboro, GA 30401

B. Government-wide and fund financial statements

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. While the previous model emphasized fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the County as a whole or major individual funds (within the fund financial statements). Both the government-

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011

wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government, judiciary, public safety, public works, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues. The program revenues must be directly associated with the function or a business-type activity. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a function or segment, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales and other taxes, intergovernmental revenues, investment income, etc.). Historically, the previous model did not summarize or present net cost by function or activity.

The government-wide focus is more on the sustainability of the County as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. In the process of aggregating data for the statement of the net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds are eliminated or reclassified in the government-wide financial statements. Eliminations have been made in the statement of activities to remove the “doubling-up” effect of internal service fund activity. The fund financial statements are, in substance, very similar to the financial statements presented in the previous model. Emphasis here is on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column.

Unless an internal service fund is combined with the business-type activities (deemed to be an infrequent event), totals on the business-type activity fund statements should directly reconcile to the business-type activity column presented in the government-wide statements.

The governmental funds major fund statements in the fund financial statements are presented on a current financial resources measurement focus and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the County’s actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements’ governmental column, a reconciliation is presented following each statement, which briefly explains the

EMANUEL COUNTY, GEORGIA
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adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The County's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The focus of the revised model is on the County as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

C. Basis of presentation

The financial transactions of the County are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The new model (Statement 34) sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The County uses the following fund types:

1. Governmental Funds:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the County:

- a. General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Fund is used primarily for the construction or purchase of capital assets. This fund type includes the major fund Special Purpose Local Option Sales Tax (SPLOST)

EMANUEL COUNTY, GEORGIA
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which was established to separately account for Special Local Option Sales Taxes received by the County.

2. Proprietary Funds:

The focus of Proprietary Fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary funds use the economic resources measurement focus. The County's proprietary funds are classified as enterprise funds.

- A. Development Authority of Emanuel County and City of Swainsboro – This fund is used to promote industrial development within the County and City of Swainsboro.
- B. Emanuel County Development Authority – This fund is used to promote industrial development within the County.
- C. Emanuel County Revolving Loan – This fund makes low interest loans to industries wishing to locate within the County.

3. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Like proprietary funds, fiduciary funds employ the economic resources measurement focus. The County has five agency funds, which account for the receipts and disbursements of funds by the tax commissioner, sheriff, magistrate court judge, probate court judge, and clerk of superior court.

4. Non-Current Governmental Assets/Liabilities:

GASB Statement 34 eliminates the presentation of Accounts Groups, but provides for these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Assets.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

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 GASB.

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. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis.

1. Accrual:

Proprietary funds and agency funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 60 days. Revenues considered susceptible to accrual are property taxes, charges for services, and investment income. In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and deferred revenue by the recipient. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt and compensated absences are recognized when due.

E. Assets, Liabilities and Fund Equity

1. Deposits and Investments

The County has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

EMANUEL COUNTY, GEORGIA
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Investments are stated at fair value, (quoted market price or the best estimate thereof). Investments that do not have an established market are reported at estimated fair values for similar instruments.

State statutes authorize the County to invest in obligations of, or obligations guaranteed by, the U.S. Government and agencies or corporations of the U.S. Government obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; repurchase agreements; and the Georgia Fund 1. The County, during the year, invested funds in the certificates of deposits and time deposits of local banks and the Georgia Fund 1. Georgia Fund 1 was created under OCGA 36-83-8 and operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The fair value of the County's position in the pool is the same as the value of pool shares.

2. Receivables

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants, and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

A major receivable for the County is property taxes receivable. Property is appraised and a lien on such property becomes enforceable 60 days after final notification on delinquency of property taxes. Property taxes are levied on September 20. Taxes are due and payable when levied and become delinquent on December 31. Property taxes are levied on all taxable real, public utility and personal property (including vehicles) located within the County. Assessed values for property tax purposes are determined by the Emanuel County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. Public utility assessed values are established by the State of Georgia. Emanuel County may place liens on property once the related tax payments become delinquent. Property tax millage rates (23.251 mills for the current year) are usually adopted in July and tax bills are rendered by October 20.

3. Inventories and Prepaid Items

Inventory for the General Fund consists of road maintenance materials and supplies which are recorded at cost using the first-in first-out method. The cost of inventories is recorded as expenditures when the materials are sold or consumed (consumption method). When payments to vendors reflect costs applicable to future accounting periods, they are recorded as expenditures when paid.

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4. Restricted Assets

Certain assets are classified as restricted assets when their use is subject to constraints that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

5. Capital Assets

Capital assets purchased in the governmental fund types are recorded as expenditures at the time of purchase. Such assets are capitalized at cost if a unit cost is \$5,000 or more for equipment and vehicles, \$50,000 or more for land and buildings, and \$250,000 or more for infrastructure or more and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized as part of the cost of the asset. Donated capital assets are recorded at estimated fair market value at the date of donation. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Equipment and vehicles	5-20
Furniture and fixtures	5-10
Infrastructure	20-40

Pursuant to GASB Statement 34, the County is not required to record and depreciate infrastructure assets acquired prior to October 1, 2003. This category is likely to be the largest asset class of the government and has historically not been reflected nor a measure of its consumption charged. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. GASB Statement 34 requires the reporting and depreciation of new infrastructure assets acquired subsequent to October 1, 2003.

6. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or business-type 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 straight-line method. 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 while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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7. Claims, Judgments, and Compensated Absences

The County's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability is not reported for unpaid accumulated sick leave, which does not vest and is not paid upon termination. The accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations of the year in which they are to be paid. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

8. Equity Classifications

Equity is classified as net assets and displayed in three components in the government-wide financial statements.

- a. Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets consists of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

F. Revenues, Expenditures, and Expenses

1. Operating and Non-operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and or services. Also included are all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, the County's policy is to use restricted resources first, then unrestricted resources as needed.

2. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities. Administrative overhead charges are made to various functions and are included in direct expenses. In the fund financial statements, governmental fund expenditures are classified as by character i.e. current (further classified by function), debt service, and capital outlay. Proprietary fund expenses are classified as operating and non-operating.

EMANUEL COUNTY, GEORGIA
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In the fund financial statements, governmental funds report expenditures of current financial resources. Proprietary funds report expenses relating to use of economic resources.

3. Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursement or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

4. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from these estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budget and Budgetary Accounting

Prior to October, the County Administrator submits to the County Commission a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing.

The Commission holds two (2) public hearings on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Emanuel County.

The budget is revised and adopted by the Commission at the first regular meeting after the public hearings have concluded.

The adopted budget may be revised during the year only by formal action of the Commission in a regular meeting and no increase shall be made therein without the provision also being made for financing the increase. Department heads have the authority to transfer appropriations within a department (within the same fund) from one line item to another subject to the approval of the County Administrator.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General and Special Revenue funds. The County adopts appropriations for capital projects principally on an individual project basis, when the project is initially approved. The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is at the department level in each fund. Unexpended appropriations lapse at year end.

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011

In the General Fund, several departments had excesses of expenditures over appropriations. The departments with excess expenditures and the amount of the excess are as follows:

Human resources	\$ 39,110
Tax assessor	14,321
Superior court	146,936
Juvenile court	15
Special detail services	765
Rural fire department	6,440
Animal control	688
Economic Development	496,047
Airport	56,845

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits: At year end the carrying amount of the County's deposits (including certificates of deposit that are reported as investments for financial statement presentation) was \$10,729,784. The bank balance of the deposits was \$11,674,650. Of the bank balance, all was covered by the Federal Depository Insurance Corporation or collateralized at 110% of the balance with securities held by the County's agent in the County's name.

Investments: The County is allowed to invest in (1) obligations of Georgia and other states; (2) obligations issued by the U.S. Government; (3) obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; (4) obligations of any corporation of the U.S. Government; (5) prime bankers' acceptances; (6) the local government investment pool established by state law; (7) repurchase agreements; and (8) obligations of other political subdivisions of Georgia.

The County's investments are categorized to give an indication of the level of risk assumed at year end. Category 1 includes investments that are insured or registered for which the investments are held by the County or its agent in the County's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments, which are held by the broker or dealer, or its safekeeping department or agent, but not in the County's name.

Georgia Fund 1 is not SEC registered, but is operated in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940, and is managed under the policies included in Georgia Law (O.C.G.A. 36-83-8). Oversight of the fund is provided by the Georgia Office of Treasury and Fiscal Services. The entire portfolio, including the Government's pro-rata portion, consists of collateralized certificates of deposit and government or governmental agency securities owned outright and under agreement to resell. The title to all investments, including collateral pledged

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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to secure certificates of deposit, is held in the custody of the Director, Fiscal Division, Department of Administrative Services, State of Georgia in accordance with Georgia law. Since these investments are not evidenced by securities that exist in physical or book entry form, they are not classified by category of credit risk.

The County's investments (excluding certificates of deposit) at September 30, 2011 were \$4,505,230. All was deposited with the State of Georgia – Georgia Fund 1 (investment pool) and does not require a determination of the level of risk.

Georgia Fund 1 uses the weighted average maturity (WAM) as a key determinant of the tolerance of the fund's investments to rising interest rates.

September 30, 2011

	Credit Rating	Investments	WAM
Georgia Fund 1	AAAm rated	\$4,505,230	24 day WAM

Reconciliation of financial statements to note:

Financial statements	
Basic financial statements:	
Cash	\$7,472,292
Investments	4,505,230
Restricted	37,069
Agency fund:	
Cash	<u>226,338</u>
Total	<u>\$12,240,929</u>
Notes to the financial statements:	
Deposits	\$7,513,509
Investments – Certificates of deposit	<u>-</u>
	7,513,509
Cash on hand	222,190
Investments – Georgia Fund 1	<u>4,505,230</u>
Total	<u>\$12,240,929</u>

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds including the applicable allowances for uncollectible accounts are as follows:

	Taxes	Accounts	Inter- governmental	Gross Receivables	Less: Allowance for uncollectables	Net Receivables
Primary Government:						
General	\$ 281,299	\$ 46,217	\$ 992,293	\$ 1,319,809	\$ (93,371)	\$ 1,226,438
SPLOST	-	-	498,075	498,075	-	498,075
E911	-	-	-	-	-	-
East Central Georgia						
Drug Task Force	-	-	109,079	109,079	-	109,079
Total Primary Government	<u>\$ 281,299</u>	<u>\$ 46,217</u>	<u>\$ 1,599,447</u>	<u>\$ 1,926,963</u>	<u>\$ (93,371)</u>	<u>\$ 1,833,592</u>
Component Unit						
Health Department	<u>\$ -</u>	<u>\$ 51,466</u>	<u>\$ -</u>	<u>\$ 51,466</u>	<u>\$ -</u>	<u>\$ 51,466</u>

C. Capital assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Nondepreciable Assets:				
Land	\$ 878,274	\$ -	\$ -	\$ 878,274
Depreciable Assets:				
Buildings and improvements	9,430,982	29,450	-	9,460,432
Equipment and vehicles	7,384,540	1,768,245	(1,080,810)	8,071,975
Infrastructure	<u>1,204,186</u>	<u>413,968</u>	<u>-</u>	<u>1,618,154</u>
	<u>18,019,708</u>	<u>2,211,663</u>	<u>(1,080,810)</u>	<u>19,150,561</u>
Accumulated depreciation:				
Buildings and improvements	(2,352,375)	(190,200)	-	(2,542,575)
Equipment and vehicles	(3,966,515)	(485,163)	486,924	(3,964,754)
Infrastructure	<u>(148,102)</u>	<u>(41,004)</u>	<u>-</u>	<u>(189,106)</u>
	<u>(6,466,992)</u>	<u>(716,367)</u>	<u>486,924</u>	<u>(6,696,435)</u>
Depreciable assets, net	<u>11,552,716</u>	<u>1,495,296</u>	<u>(593,886)</u>	<u>12,454,126</u>
Total Governmental Activities	<u>12,430,990</u>	<u>1,495,296</u>	<u>(593,886)</u>	<u>13,332,400</u>

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Business-Type Activities:
Depreciable Assets:

Buildings and improvements	-	-	-	-
Equipment	<u>34,522</u>	<u>-</u>	<u>-</u>	<u>34,522</u>
	<u>34,522</u>	<u>-</u>	<u>-</u>	<u>34,522</u>
Accumulated depreciation:				
Buildings and improvements	-	-	-	-
Equipment	<u>(33,437)</u>	<u>(1,085)</u>	<u>-</u>	<u>(34,522)</u>
	<u>(33,437)</u>	<u>(1,085)</u>	<u>-</u>	<u>(34,522)</u>
Total Business-Type Activities:	<u>1,085</u>	<u>(1,085)</u>	<u>-</u>	<u>-</u>
Total Capital Assets	<u>\$ 12,432,075</u>	<u>\$ 1,494,211</u>	<u>\$ (593,886)</u>	<u>\$13,332,400</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 9,197
Judicial	72,172
Public safety	310,230
Public works	260,134
Health and welfare	16,757
Culture and recreation	16,709
Housing and development	<u>31,168</u>
Total Depreciation	<u>\$716,367</u>

DISCRETELY PRESENTED COMPONENT UNIT

Activity for the Emanuel County Health Department for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Equipment	\$ 48,256	\$ -	\$ -	\$ 48,256
Accumulated depreciation	<u>(48,256)</u>	<u>-</u>	<u>-</u>	<u>(48,256)</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011

D. Interfund receivables, payables and transfers

Interfund receivables and payables balances at September 30, 2011 are as follows:

	Interfund Receivable	Interfund Payable
General Fund:		
Emanuel County Development Authority	211,161	
Development Authority of Emanuel Co and City of Swainsboro		57,886
Emanuel County Development Authority:		
General Fund		211,161
Development Authority of Emanuel Co and City of Swainsboro	416,705	-
Development Authority of Emanuel Co and City of Swainsboro:		
General Fund	57,886	
Emanuel County Development Authority	-	416,705
Total	<u>\$ 685,752</u>	<u>\$ 682,752</u>

These balances represent loans between the borrower fund and the lender fund. These balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Interfund receivables and payables reported in the fund financial statements; however, they are eliminated in the government-wide financial statements if the interfund loan is between governmental funds. Also, Emanuel County levied a .5 mil tax to retire the series 2006 revenue bonds of Emanuel County Development Authority. At September 30 the bond proceeds were being maintained in a restricted account of the general fund and had not been remitted to the Emanuel County Development Authority.

E. Capital Leases

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

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2011 were as follows:

Year	Governmental Activities
------	----------------------------

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011

2012	359,285
2013	157,547
2013	<u>106,688</u>
Total	623,520
Less amount representing interest	<u>82,140</u>
Present value of future minimum lease payments	<u>541,350</u>
Cost of equipment	1,709,981
Accumulated depreciation	<u>72,254</u>
Total	<u>\$1,637,727</u>

F. Long-term debt

PRIMARY GOVERNMENT

1. Contractual Obligations:

Governmental Activities:

On May 25, 2006, the County issued \$1,920,000 in General Obligation Bonds with an average interest rate of 4.488 percent to advance refund \$1,800,000 of outstanding 1998 Series bonds with an average interest rate of 5.638 percent. The net proceeds of \$1,871,845 (after payment of \$48,155 in underwriting fees and other issuance costs) were deposited with an escrow agent to provide for all future debt service payments on the 1998 Series bonds. As a result, the 1998 Series bonds are considered to be defeased and the liability for those bonds has been removed from the County's statement of net assets.

The County advance refunded the 1998 Series bonds to reduce its total debt service payments over the next 22 years by approximately \$129,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$106,000.

Emanuel County issued general obligation sales tax bonds, series 2006 for \$8,765,000 to finance various projects that the citizens of Emanuel County approved in a special purpose local option sales tax (SPLOST) referendum. A portion of the monies received by the County pursuant to the SPLOST will be used to pay the principal and interest on the bonds as the same comes due. Final maturity date is August 1, 2012.

	Original <u>Balance</u>	Interest <u>Rate</u>	<u>Installments</u>	Balance <u>September 30</u>
Series 2005	\$8,765,000	3.44%	varies	\$1,590,000
Series 2006	1,920,000	4.00%-4.60%	varies	<u>1,600,000</u>

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011

\$3,190,000

Business-type Activities:

Development Authorities: The following is a summary of the long-term debt issued by Emanuel County Development Authorities for the promotion of industrial development in Emanuel County:

	<u>Original Balance</u>	<u>Interest Rate</u>	<u>Installments</u>	<u>Balance September 30, 2011</u>
Industrial development bonds:				
(Swainsboro Golf Course Project)	\$1,250,000	5.1%-6.5%	varies	\$ 465,000
(Jabo Metal Fabrication)	2,300,000	varies	varies	270,000
Spivey State Bank	958,476	6.1875%	14,855/month	-
Spivey State Bank	247,125	3.75%	4,529/month	<u>102,868</u>
				<u>\$,837,868</u>

Interest rates for the industrial revenue bonds (Jabo Metal Fabrication, Inc.) initially bear interest at the Weekly Rate as determined by SunTrust Capital Markets, Inc. Final maturity ranges from 2009-2016.

Annual debt service requirements to maturity for contractual obligations are as follows:

Year						
Ending						
September 30						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>			
	<u>Bonds</u>		<u>Bonds</u>		<u>Notes</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	1,660,000	126,241	350,000	29,705	51,300	3,210
2013	70,000	68,570	85,000	24,665	51,568	1,061
2014	75,000	65,595	95,000	19,310		
2015	75,000	62,407	100,000	13,325		
2016	80,000	59,220	105,000	6,825		
2017	85,000	55,820				
2018	90,000	51,995				
2019-2023	475,000	199,225				
2024-2028	580,000	81,770	-	-	-	-
Total	<u>\$ 3,190,000</u>	<u>\$ 770,843</u>	<u>\$ 735,000</u>	<u>\$ 93,830</u>	<u>\$ 102,868</u>	<u>\$ 4,271</u>

Specific years for payments of compensated absences and landfill closure and postclosure cost are not determinable and are not included in the tables above. Also, the amount of interest payments in any year for the Jabo Metal Fabrication, Inc. Project, Series 2001 are not

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011

determinable and are not included in the table above. Federal arbitrage regulations are not applicable for fiscal year 2011.

2. Other long term liabilities:

Governmental Activities - Closure and Postclosure Care Cost:

State and federal laws and regulations required the County to place a final cover on the Emanuel County Landfill site when it stopped accepting waste in 1998 and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill's final cover was completed in 2000 and the final closure certificate was issued January 12, 2001. The estimated post closure cost of \$46,000 per year plus inflation for the 30 years is based on engineers' estimates at November 1, 1995. This represents all of the post closure cost liability (none remaining to be recognized) but it must be updated annually to adjust for inflation or deflation, and changes in technology, or applicable laws or regulations. The County has estimated a \$1,187,587 liability for closure and postclosure expenses.

3. Changes in Long-Term Liabilities:

The following is a summary of long-term obligations of the County for the year ended September 30, 2011:

	Outstanding 10/1/2010	Additions	Reductions	Outstanding 9/30/2011	Amounts Due in One Year
Governmental Activities					
General Obligation Sales Tax Bonds:					
Series 2005	\$ 3,125,000	\$ -	\$ 1,535,000	\$ 1,590,000	\$ 1,480,000
Series 2006	1,665,000	-	65,000	1,600,000	65,000
Series 2011	-	1,560,000	-	1,560,000	-
Capital Leases					
Bancorpsouth Equipment Finance#1	74,899	-	23,866	51,033	24,950
Bancorpsouth Equipment Finance#2	66,088	-	21,275	44,813	21,275
Bancorpsouth Equipment Finance#3	-	1,390,690	106,688	1,284,002	80,771
Durden Banking Company	-	199,626	-	199,626	199,626
Compensated Absences	138,400	11,359	-	149,759	112,319
Landfill Closure and Postclosure Care	1,234,201	-	49,985	1,184,216	-
Total Governmental Activities	\$ 6,303,588	\$ 3,161,675	\$ 1,801,814	\$ 7,663,449	\$ 1,983,941
Discretely Presented Component Units:					
Emanuel County Health Department					
Compensated Absences	\$ 54,224	\$ 1,210	\$ -	\$ 55,434	\$ -

Typically the general fund revenues have been used to liquidate compensated absences and landfill costs for closure and postclosure expense.

IV. OTHER INFORMATION

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011

PRIMARY GOVERNMENT

A. Pension Plan

Emanuel County adopted a non-contributory defined contribution pension plan on August 31, 1998 and it went into effect on February 3, 1999. All full-time employees with two years of service are eligible for coverage. Coverage begins on the next entry date immediately following the anniversary hire date. The plan, Emanuel County Board of Commissioners Retirement Saving Plan, is administered by Geb Corp. The County has the authority to establish or amend plan provisions. The investment objective of the plan is to protect against loss of principal while providing returns in excess of money market funds and one-year Treasury bills. The County is responsible for establishing or amending the pension plan contribution requirements. The County's pension contribution for the fiscal year ended September 30, 2010 was \$206,751 on covered payroll of \$2,595,413.

Employees, at their option, may contribute as much as 25% of their salary to a 457 deferred compensation plan. Employees do not contribute to the 401(a) plan. The County makes contributions to a 401(a) plan based on the employee's contribution to the 457 plan as follows:

Employee Contribution	County Contribution
0%	5.5%
2%	6.0%
4% or more	6.5%

The following plans are in effect for the constitutional officers of Emanuel County. The County does not contribute directly to the plans. Contributions are made through an increase in the fine amounts. The County exercises no control of these plans.

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

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

Sheriff's Retirement Fund/Peace Officers' Annuity and Benefit Fund – The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plan before the payment of any costs or other claims.

B. Risk Management

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; error or omissions; injuries to employees; and natural disasters. The County has joined together with other counties in the state as part of the Association of County Commissioners of Georgia (ACCG) – Interlocal Risk Management Agency Combined Automobile, Crime, Liability and Property Coverages Fund and the ACCG – Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as a common risk management and insurance program for member counties.

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

C. Commitments and Contingencies

The County reviews all outstanding judgments to determine if any estimated liabilities should be accrued at year end. In the opinion of management, based on this review and on the advice of legal counsel, the ultimate disposition of claims and judgments will not have a material adverse effect on the financial position of the County.

The County participates in a number of Federal and State assisted grant programs. Grant amounts received and receivables are subject to audit by grantor agencies. The amount, if any, of expenditures, which may be disallowed by the granting agencies cannot be determined at this time. The County expects such amounts, if any, to be immaterial.

Emanuel County has entered into a contract with Emanuel County Hospital (Hospital Authority) wherein the County is obligated to make payments to the Hospital Authority sufficient to pay the principal of and interest on \$4,715,000 Emanuel County Hospital Authority (Georgia), Refunding and Improvement Revenue Anticipation Certificates, Series 1997 and \$10,000,000 Emanuel County Hospital Authority (Georgia) Revenue Anticipation Certificates, Series 2002 as the same become due and payable, to the extent funds of the Hospital Authority pledged to such payment are insufficient for such purposes. The County is obligated under the contract to levy an annual ad valorem tax on all taxable property located within the territorial limits of the

EMANUEL COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011

County, at such rate within the seven mil limit or such greater millage limit hereafter authorized to produce in each year revenues which are sufficient to fulfill the County's obligations under the contract. The certificates do not constitute a debt of the County. The Series 1997 certificates mature from 1998 thru 2013 with varying interest rates from 3.90% to 5.10%. The Series 2002 certificates mature from 2003 thru 2021 with varying interest rates from 2.00% to 4.60%.

D. Joint Ventures

Under Georgia law, the County, in conjunction with other cities or counties in the middle Georgia area, is a member of Heart of Georgia Altamaha Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended September 30, 2011, the county paid \$11,332 in such dues. Membership in an 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 an RDC. Separate financial statements may be obtained from:

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

EMANUEL COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenue:				
Taxes	\$ 8,227,599	\$ 8,227,599	\$ 7,267,703	\$ (959,896)
Licenses and permits	24,125	24,125	20,025	(4,100)
Intergovernmental	11,375	11,375	310,321	298,946
Charges for services	1,386,034	1,386,034	1,233,829	(152,205)
Fines and forfeitures	574,078	574,078	532,770	(41,308)
Investment income	179,775	179,775	52,638	(127,137)
Miscellaneous	131,092	131,092	174,568	43,476
Total Revenue	<u>10,534,078</u>	<u>10,534,078</u>	<u>9,591,854</u>	<u>(942,224)</u>
Expenditures				
Current:				
General government	2,451,379	2,451,379	2,405,814	45,565
Judicial	1,017,459	1,017,459	1,154,199	(136,740)
Public safety	2,329,451	2,329,451	2,091,191	238,260
Public works	2,648,179	2,648,179	1,710,125	938,054
Health and welfare	1,261,526	1,261,526	1,205,553	55,973
Culture and recreation	496,496	496,496	457,658	38,838
Housing and development	329,588	329,588	849,195	(519,607)
Capital Outlay			2,211,663	(2,211,663)
Debt service:				
Principal	-	-	127,963	(127,963)
Interest	-	-	2,316	(2,316)
Total Expenditures	<u>10,534,078</u>	<u>10,534,078</u>	<u>12,215,677</u>	<u>(1,681,599)</u>
Excess (deficiency) of revenues over expenditures	-	-	(2,623,823)	(2,623,823)
Other financing sources (uses)				
Transfers In (out)			(102,751)	(102,751)
Inception of Capital Leases	-	-	1,390,690	1,390,690
Loan Proceeds	-	-	199,626	199,626
Proceeds from Sale of Equipment	-	-	866,000	866,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,353,565</u>	<u>2,353,565</u>
Net change in fund balances	-	-	(270,258)	(270,258)
From prior years earnings (budget only)	-	-	-	-
Fund Balance - October 1	<u>8,115,178</u>	<u>8,115,178</u>	<u>8,115,178</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 8,115,178</u>	<u>\$ 8,115,178</u>	<u>\$ 7,844,920</u>	<u>\$ (270,258)</u>

See accompanying notes to required supplemental information.

EMANUEL COUNTY, GEORGIA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
For the Year Ended September 30, 2011

- I. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund.
- II. The departments that had excesses of expenditures over appropriation are as follows:

- General Fund
 - Human Resources
 - Tax assessor
 - Superior Court
 - Juvenile Court
 - Special Detail Services
 - Rural Fire Dept
 - Animal control
 - Economic Development
 - Airport
- Special
 - East Georgia Drug Task Force

While the county does not adopt an amended budget, it does approve budget overages.

EMANUEL COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance With Final Budget
GENERAL GOVERNMENT				
Elections	\$ 105,943	\$ 105,943	\$ 93,772	\$ 12,171
Financial administration	401,475	401,475	343,388	58,087
Human resources	1,087,817	1,087,817	1,126,927	(39,110)
Tax commissioner	247,645	247,645	220,585	27,060
Tax assessor	285,694	285,694	300,015	(14,321)
County buildings	322,805	322,805	321,127	1,678
TOTAL GENERAL GOVERNMENT	<u>2,451,379</u>	<u>2,451,379</u>	<u>2,405,814</u>	<u>45,565</u>
JUDICIAL				
Superior court	648,527	648,527	795,463	(146,936)
State court	79,507	79,507	76,954	2,553
Magistrate court	149,278	149,278	147,678	1,600
Probate court	137,147	137,147	131,089	6,058
Juvenile court	3,000	3,000	3,015	(15)
TOTAL JUDICIAL	<u>1,017,459</u>	<u>1,017,459</u>	<u>1,154,199</u>	<u>(136,740)</u>
PUBLIC SAFETY				
Special detail services	16,160	16,160	16,925	(765)
Uniform patrol	840,883	840,883	701,765	139,118
Jail	996,795	996,795	992,995	3,800
Court services	48,122	48,122	37,754	10,368
Rural fire department	72,661	72,661	79,101	(6,440)
EMS operations	253,276	253,276	172,969	80,307
Coroner/medical examiner	28,014	28,014	26,249	1,765
Animal control	53,067	53,067	53,755	(688)
Emergency management	20,473	20,473	9,678	10,795
TOTAL PUBLIC SAFETY	<u>2,329,451</u>	<u>2,329,451</u>	<u>2,091,191</u>	<u>238,260</u>
PUBLIC WORKS				
Solid waste disposal	1,124,785	1,124,785	1,010,214	114,571
Maintenance and shop	1,523,394	1,523,394	699,911	823,483
TOTAL PUBLIC WORKS	<u>2,648,179</u>	<u>2,648,179</u>	<u>1,710,125</u>	<u>938,054</u>

EMANUEL COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance With Final Budget
HEALTH AND WELFARE				
Public health administration	136,928	136,928	136,928	-
Health Centers and General Clinics	1,009,598	1,009,598	1,009,598	-
Access Emanuel	-	-	-	-
Intergovernmental welfare payments	<u>115,000</u>	<u>115,000</u>	<u>59,027</u>	<u>55,973</u>
TOTAL HEALTH AND WELFARE	<u>1,261,526</u>	<u>1,261,526</u>	<u>1,205,553</u>	<u>55,973</u>
CULTURE AND RECREATION				
Culture/recreation administration	363,578	363,578	324,740	38,838
Art galleries	-	-	-	-
Branch libraries	<u>132,918</u>	<u>132,918</u>	<u>132,918</u>	<u>-</u>
TOTAL CULTURE AND RECREATION	<u>496,496</u>	<u>496,496</u>	<u>457,658</u>	<u>38,838</u>
HOUSING AND DEVELOPMENT				
Agricultural resources	93,672	93,672	64,398	29,274
Forest resources	31,653	31,653	30,923	730
Code enforcement	43,603	43,603	40,322	3,281
Economic development	106,846	106,846	602,893	(496,047)
Airport	<u>53,814</u>	<u>53,814</u>	<u>110,659</u>	<u>(56,845)</u>
TOTAL HOUSING AND DEVELOPMENT	<u>329,588</u>	<u>329,588</u>	<u>849,195</u>	<u>(519,607)</u>
Capital Outlay			2,211,663	(2,211,663)
Debt Service:			127,963	(127,963)
Interest			2,316	(2,316)
TOTAL OTHER			<u>2,341,942</u>	<u>(2,341,942)</u>
Total	<u>10,534,078</u>	<u>10,534,078</u>	<u>12,215,677</u>	<u>(1,681,599)</u>

EMANUEL COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2011

	Special Revenue Funds			
	2003 CHIP Grant	East Central Georgia Drug Task Force	E-911	Total
ASSETS				
Cash	\$ 365	\$ 98,364		\$ 98,729
Due from other governments	-	109,079		109,079
Accounts Receivable	-	-	63,012	63,012
TOTAL ASSETS	<u>\$ 365</u>	<u>\$ 207,443</u>	<u>\$ 63,012</u>	<u>\$ 270,820</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ -	\$ -	1,962	\$ 1,962
Accrued liabilities	-	-	5,252	5,252
Escrow funds	-	6,765	-	6,765
Due to other funds	-	18,916	-	18,916
Total Liabilities	<u>-</u>	<u>25,681</u>	<u>7,214</u>	<u>32,895</u>
FUND EQUITY				
Fund balance	<u>365</u>	<u>93,206</u>	<u>55,798</u>	<u>149,369</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 365</u>	<u>\$ 181,762</u>	<u>\$ 55,798</u>	<u>\$ 237,925</u>

EMANUEL COUNTY, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the year Ended September 30, 2011

	<u>2003 CHIP Grant</u>	<u>East Central Georgia Drug Task Force</u>	<u>E-911</u>	<u>Total</u>
REVENUES				
Taxes		\$ -	\$ 369,659	\$ 369,659
Intergovernmental	\$ -	377,680		377,680
Miscellaneous	-	89	-	89
TOTAL REVENUES	<u>-</u>	<u>377,769</u>	<u>369,659</u>	<u>377,769</u>
EXPENDITURES				
Public Safety	-	289,213	472,410	761,623
Health and Welfare	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>289,213</u>	<u>472,410</u>	<u>289,213</u>
Excess of revenue over (under) expenditures	-	88,556	(102,751)	(14,195)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	102,751	102,751
Net change in fund balances	-	88,556	-	88,556
FUND BALANCE - October 1	365	93,206	55,798	149,369
FUND BALANCE - September 30	<u>\$ 365</u>	<u>\$ 181,762</u>	<u>\$ 55,798</u>	<u>\$ 237,925</u>

EMANUEL COUNTY, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM (2003 CHIP)
GRANT NUMBER 03m-y-053-1-2879
BALANCE SHEET
September 30, 2011

ASSETS	
Cash	\$ <u>365</u>
TOTAL ASSETS	\$ <u>365</u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Due to other governments	\$ <u>-</u>
Total Liabilities	<u>-</u>
Fund Equity:	
Unreserved fund balance	<u>365</u>
Total fund equity	<u>365</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>365</u>

EMANUEL COUNTY, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM (2003 CHIP)
GRANT NUMBER 03m-y-053-1-2879
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE -BUDGET AND ACTUAL
For the Year Ended September 30, 2011

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ _____ -	\$ _____ -	\$ _____ -
TOTAL REVENUES	_____ -	_____ -	_____ -
EXPENDITURES			
Health and Welfare:			
Construction	-	-	-
Administration	_____ -	_____ -	_____ -
TOTAL EXPENDITURES	_____ -	_____ -	_____ -
Excess of revenues over (under) expenditures	-	-	-
FUND BALANCE -October 1	365	365	-
FUND BALANCE - September 30	<u>\$ 365</u>	<u>\$ 365</u>	<u>\$ _____ -</u>

EMANUEL COUNTY, GEORGIA
EAST CENTRAL GEORGIA DRUG TASK FORCE
BALANCE SHEET
September 30, 2011

ASSETS	
Cash in Bank	\$ 98,364
Inventory	-
Due from other governments	<u>109,079</u>
TOTAL ASSETS	<u>\$207,443</u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts Payable	\$ -
Escrow Funds	6,765
Due to Other Governments	-
Due to Other Funds	<u>18,916</u>
Total Liabilities	<u>25,681</u>
FUND EQUITY	
Fund Balance	<u>181,762</u>
Total Fund Equity	<u>181,762</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$207,443</u>

EMANUEL COUNTY, GEORGIA
 EAST CENTRAL GEORGIA DRUG TASK FORCE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE-BUDGET AND ACTUAL
 For the Year Ended September 30, 2011

REVENUES	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Intergovernmental	\$ 285,689	\$ 377,680	\$ 91,991
Miscellaneous	-	89	89
TOTAL REVENUES	<u>285,689</u>	<u>377,769</u>	<u>92,080</u>
EXPENDITURES			
Public Safety	<u>285,689</u>	<u>289,213</u>	<u>(3,524)</u>
TOTAL EXPENDITURES	<u>285,689</u>	<u>289,213</u>	<u>(3,524)</u>
Excess (deficiency) of revenues over expenditures	-	88,556	88,556
FUND BALANCE - October 1		<u>93,206</u>	<u>(93,206)</u>
FUND BALANCE - September 30	<u>\$ 181,762</u>	<u>\$ 181,762</u>	<u>\$ (4,650)</u>

EMANUEL COUNTY, GEORGIA
EMERGENCY 911
BALANCE SHEET
September 30, 2011

ASSETS

Accounts receivable	\$ 63,012
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TOTAL ASSETS	\$ 63,012
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LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable	\$ 1,962
Accrued liabilities	5,252
Total Liabilities	7,214

Fund Equity:

Unreserved fund balance	55,798
Total fund equity	55,798

TOTAL LIABILITIES AND FUND EQUITY	\$ 63,012
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EMANUEL COUNTY, GEORGIA
EMERGENCY 911
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE -BUDGET AND ACTUAL
For the Year Ended September 30, 2011

	Budget	Actual	Variance
REVENUES			
Taxes	\$ 476,524	\$ 369,659	\$ (106,865)
Miscellaneous	-	-	-
TOTAL REVENUES	<u>476,524</u>	<u>369,659</u>	<u>(106,865)</u>
EXPENDITURES			
Public safety	<u>476,524</u>	<u>472,410</u>	<u>4,114</u>
TOTAL EXPENDITURES	<u>476,524</u>	<u>472,410</u>	<u>4,114</u>
Excess of revenues over (under) expenditures	-	(102,751)	(102,751)
OTHER FINANCING SOURCES(USES)			
Transfers in	<u>-</u>	<u>102,751</u>	<u>102,751</u>
Net change in fund balances	-	-	-
FUND BALANCE -October 1	<u>55,798</u>	<u>55,798</u>	<u>-</u>
FUND BALANCE - September 30	<u>\$ 55,798</u>	<u>\$ 55,798</u>	<u>\$ -</u>

EMANUEL COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended September 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
TAX COMMISSIONER				
<u>Assets</u>				
Cash	\$ 36,438	\$ 12,837,551	\$ 12,842,039	\$ 31,950
Taxes Receivable	357,382	6,513,300	6,479,208	391,474
	<u>\$393,820</u>	<u>\$ 19,350,851</u>	<u>\$ 19,321,247</u>	<u>\$ 423,424</u>
<u>Liabilities</u>				
Due to Other Funds	\$ -	\$ 5,767,258	\$ 5,767,258	-
Due to Other Governments	393,820	6,706,505	6,676,901	423,424
	<u>\$393,820</u>	<u>\$ 12,473,763</u>	<u>\$ 12,444,159</u>	<u>\$ 423,424</u>
CLERK OF COURT				
<u>Assets</u>				
Cash	\$ 69,210	\$ 884,217	\$ 813,715	\$ 139,712
	<u>\$ 69,210</u>	<u>\$ 884,217</u>	<u>\$ 813,715</u>	<u>\$ 139,712</u>
<u>Liabilities</u>				
Due to Other Funds	\$ -			\$ -
Due to Others	69,210	139,682	69,210	139,682
Escrow Deposits Held		79,903	79,873	30
	<u>\$ 69,210</u>	<u>\$ 219,585</u>	<u>\$ 149,083</u>	<u>\$ 139,712</u>
SHERIFF				
<u>Assets</u>				
Cash and Investments	\$ 50,627	\$ 156,073	\$ 152,222	\$ 54,478
	<u>\$ 50,627</u>	<u>\$ 156,073</u>	<u>\$ 152,222</u>	<u>\$ 54,478</u>
<u>Liabilities</u>				
Due to Others	\$ 50,627	\$ 163,586	\$ 159,735	\$ 54,478
	<u>\$ 50,627</u>	<u>\$ 163,586</u>	<u>\$ 159,735</u>	<u>\$ 54,478</u>
PROBATE COURT				
<u>Assets</u>				
Cash and Investments	\$ 58	\$ 112,733	\$ 112,693	\$ 98
	<u>\$ 58</u>	<u>\$ 112,733</u>	<u>\$ 112,693</u>	<u>\$ 98</u>
<u>Liabilities</u>				
Due to Other Funds	\$ -	\$ 44,662	\$ 44,662	\$ -
Due to Others	58	68,071	68,031	98
	<u>\$ 58</u>	<u>\$ 112,733</u>	<u>\$ 112,693</u>	<u>\$ 98</u>
MAGISTRATE COURT				
<u>Assets</u>				
Cash and Investments	\$ 100	\$ 484,357	\$ 484,358	\$ 99
	<u>\$ 100</u>	<u>\$ 484,357</u>	<u>\$ 484,358</u>	<u>\$ 99</u>
<u>Liabilities</u>				
Due to Other Funds	\$ -			\$ -
Due to Others	100	484,357	484,358	99
	<u>\$ 100</u>	<u>\$ 484,357</u>	<u>\$ 484,358</u>	<u>\$ 99</u>
TOTAL ASSETS	<u>\$513,815</u>	<u>\$20,988,231</u>	<u>\$20,884,235</u>	<u>\$ 617,811</u>
TOTAL LIABILITIES	<u>\$513,815</u>	<u>\$13,454,024</u>	<u>\$13,350,028</u>	<u>\$ 617,811</u>

EMANUEL COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 September 30, 2011

	<u>Agency Funds</u>					
	<u>Tax Commissioner</u>	<u>Clerk of Court</u>	<u>Sheriff</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Total</u>
Assets						
Cash	\$ 31,950	\$ 139,712	\$ 54,478	\$ 98	\$ 99	\$ 226,337
Taxes receivable	<u>391,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>391,474</u>
Total Assets	<u>\$ 423,424</u>	<u>\$ 139,712</u>	<u>\$ 54,478</u>	<u>\$ 98</u>	<u>\$ 99</u>	<u>\$ 617,811</u>
Liabilities						
Due to other governments	\$ 423,424	\$ -	\$ -	\$ -	\$ -	\$ 423,424
Due to others	-	139,712	-	98	99	139,909
Escrow deposits held in custody	<u>-</u>	<u>-</u>	<u>54,478</u>	<u>-</u>	<u>-</u>	<u>54,478</u>
Total Liabilities	<u>\$ 423,424</u>	<u>\$ 139,712</u>	<u>\$ 54,478</u>	<u>\$ 98</u>	<u>\$ 99</u>	<u>\$ 617,811</u>

EMANUEL COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL SALES TAX PROCEEDS
September 30, 2011

	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	EXPENDITURES			ESTIMATED PERCENTAGE OF COMPLETION
			PRIOR YEARS	CURRENT YEAR	TOTAL	
<u>PROJECTS UNDER 2005 REFERENDUM</u>						
Industrial Development	\$ 1,190,000	\$ 1,190,000	\$ 1,101,200	\$ 49,148	\$ 1,150,348	97%
Recreation and Leisure	500,000	500,000	235,431	22,923	258,354	52%
Road Improvements	1,303,887	1,303,887	992,317	-	992,317	76%
Solid Waste	650,000	650,000	737,825	26,511	764,336	100%
Road and Construction Equipment	350,000	350,000	922,289	485,306	1,407,595	100%
Rural Fire Department	350,000	350,000	194,900	16,405	211,305	60%
Emergency Medical Services	300,000	300,000	337,550		337,550	113%
Public Safety (911 Phase II Equipment)	500,000	500,000	500,000	24,678	524,678	105%
Jail	2,275,000	2,275,000	2,351,741	810	2,352,551	100%
Firetrucks	786,000	786,000	774,932	-	774,932	100%
Parks	300,000	300,000	191,033	-	191,033	100%
Interest	1,101,004	1,101,004	1,020,219	180,889	1,201,108	109%
County Buildings	300,000	300,000	273,381	52,528	325,909	109%
City of Swainsboro	3,000,000	3,000,000	3,081,497	223,479	3,304,976	110%
City of Twin City	750,000	750,000	793,320	-	793,320	100%
City of Adrian	50,000	50,000	53,090	-	53,090	100%
City of Garfield	50,000	50,000	53,090	-	53,090	100%
City of Nunez	50,000	50,000	53,090	-	53,090	100%
City of Oak Park	50,000	50,000	53,090	-	53,090	100%
City of Stillmore	50,000	50,000	53,090	-	53,090	100%
City of Summertown	50,000	50,000	53,090		53,090	100%
Debt Service - Courthouse	997,473	997,473	562,839		562,839	56%
	<u>\$ 14,953,364</u>	<u>\$ 14,953,364</u>	<u>\$ 14,389,014</u>	<u>\$ 1,082,677</u>	<u>\$ 15,471,691</u>	<u>95%</u>
Current SPLOST Expenditures (above)				\$ 1,082,676		
SPLOT Bond Principal				1,623,866		
Bond Issuance Costs				48,834	204,754	
Total SPLOT Expenditures (page 17)				<u>\$ 2,755,376</u>		

MEMBER
AMERICAN INSTITUTE OF CPAS
GEORGIA SOCIETY OF CPAS

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

The Commissioners of Roads and Revenues
Emanuel County, Georgia

I have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Emanuel County, Georgia, as of and for the year ended September 30, 2011, which collectively comprise the Emanuel County, Georgia's basic financial statements and have issued my report thereon dated March 26, 2012. I conducted my 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 my audit, I considered Emanuel County, Georgia's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Emanuel County, Georgia's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Emanuel County, Georgia'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 Emanuel County, Georgia'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 a remote likelihood that a misstatement of Emanuel County, Georgia's financial statements that is more than inconsequential will not be prevented or detected by Emanuel County, Georgia's internal control.

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

My 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. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Emanuel County, Georgia's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted certain matters that I reported to management of Emanuel County, Georgia, in a separate letter dated March 26, 2012.

This report is intended solely for the information and use of management, county commissioners, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "Steve Trevy". The signature is written in black ink and is positioned above the date.

March 26, 2012