Brooks County, Georgia

Quitman, Georgia

Financial Statements

For the Year Ended June 30, 2011

Brooks County, Georgia

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Brooks County, Georgia

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Brooks County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brooks County, Georgia, as of and for the year ended June 30, 2011, which collectively comprise Brooks County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Brooks County, Georgia. Our responsibility is to express our opinions on these financial statements based on our audit. We did not audit the financial statements of the Brooks County Board of Health, which statements report total assets of $188,217 as of June 30, 2011, and revenues of $370,350 for the year ended June 30, 2011. Those financial statements were audited by other auditors whose reports have been provided to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Brooks County Board of Health in the component unit column, is based on the report of other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brooks County, Georgia, as of June 30, 2011 and the respective change in financial position and cash flows, where applicable, thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Brooks County, Georgia has not presented the management discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a separate report dated January 18, 2012 on our consideration of Brooks County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Brooks County, Georgia's basic financial statements. The schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*, and is also not a required part of the financial statements of Brooks County, Georgia. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of revenues and expenditures for the Nutrition, Family Connection, and Juvenile Justice and Delinquency Prevention Grants are presented for purposes of additional analysis as required by the grantors and are not a required part of the basic financial statements. The schedules of expenditures of special purpose local option sales tax proceeds, the schedule of expenditures of federal awards, the combining and individual fund statements and schedules, and the schedules of revenues and expenditures for the Nutrition, Family Connection, and Juvenile Justice and Delinquency Prevention grants have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



January 18, 2012

Brooks County, Georgia
Statement of Net Assets
June 30, 2011

Assets	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Assets				
Cash and Cash Equivalents	$ 2,051,653	$ 254,789	$ 2,306,442	$ 280,056
Investments	2,365,622		2,365,622	165,461
Receivables, net	1,311,179	770,527	2,081,706	1,627,355
Interfund	54,102	(54,102)	-	
Inventories	51,935		51,935	
Prepaid Expenses	136,225		136,225	-
Restricted Assets				
Cash and Cash Equivalents	51,954		51,954	31,162
Other Investments				4,909,178
Assets Held for Resale	1,363,307		1,363,307	
Capital Assets				
Land and Other Nondepreciable Assets	565,719		565,719	
Other Capital Assets, Net of Depreciation	12,698,469	18,216	12,716,685	12,268
Total Capital Assets	13,264,188	18,216	13,282,404	12,268
Total Assets	$ 20,650,165	$ 989,430	$ 21,639,595	$ 7,025,480
Liabilities and Net Assets				
Liabilities				
Accounts Payable	$ 100,934	$ -	$ 100,934	$ 277,058
Accrued Liabilities	212,659	489	213,148	
Intergovernmental	72,358	-	72,358	
Compensated Absences	75,630		75,630	-
Long-term Liabilities				
Current Portion of Long-Term Debt	21,060	82,250	103,310	158,156
Non-Current Portion of Long-Term Debt	130,832	904,750	1,035,582	1,514,117
Total Liabilities	613,473	987,489	1,600,962	1,949,331
Net Assets				
Invested in Capital Assets, net of related debt	13,112,296	18,216	13,130,512	12,268
Restricted for:				
Capital Projects	953,745		953,745	
Economic Development				4,465,968
Public Health				98,476
Unrestricted	5,970,651	(16,275)	5,954,376	499,437
Total Net Assets	20,036,692	1,941	20,038,633	5,076,149
Total Liabilities and Net Assets	$ 20,650,165	$ 989,430	$ 21,639,595	$ 7,025,480

The accompanying notes to basic financial statements are an integral part of this statement.

Brooks County, Georgia
Statement of Activities
For the Year Ended June 30, 2011

Functions and Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government:								
Governmental Activities								
General Government	$ 1,342,597	$ 310,437	$ -	$ 139,187	$ (892,973)		$ (892,973)	$ -
Judicial	1,002,800	275,588	59,425		(667,787)		(667,787)	
Public Safety	3,746,919	450,946	149,805	-	(3,146,168)		(3,146,168)	
Public Works	2,080,211	14,081	207,246	368,363	(1,490,521)		(1,490,521)	
Health and Welfare	221,263		71,150		(150,113)		(150,113)	
Culture and Recreation	190,200	28,114	64,750		(97,336)		(97,336)	
Housing and Development	660,325		24,213		(636,112)		(636,112)	
Intergovernmental Payment of Sales Tax	414,987				(414,987)		(414,987)	
Interest on Long-Term Debt	5,705				(5,705)		(5,705)	
Total Governmental Activities	9,665,007	1,079,166	576,589	507,550	(7,501,702)	-	(7,501,702)	-
Business Type Activities:								
Solid Waste	977,885	832,639	156,957			11,711	11,711	
Total Business Type Activities	977,885	832,639	156,957	-		11,711	11,711	-
Total Primary Government	$ 10,642,892	$ 1,911,805	$ 733,546	$ 507,550	$ (7,501,702)	$ 11,711	$ (7,489,991)	$ -
Component Units:								
Development Authority	$ 214,419	$ 49,460	$ 150,000	$ 3,076,257				$ 3,061,298
Public Health	424,331	98,476	271,874	-				(53,981)
Total Component Units	$ 638,750	$ 147,936	$ 421,874	$ 3,076,257				3,007,317
General Revenues								
Taxes								
Property Taxes					4,890,613		4,890,613	179,382
Sales Tax					1,913,390		1,913,390	
Insurance Premium Tax					513,306		513,306	
Franchise					24,863		24,863	
Alcoholic Beverage					43,300		43,300	
Other Taxes					291,222		291,222	
Intergovernmental					-	-	-	-
Investment					36,364	16,340	52,704	5,115
Contributions and Donations					-		-	
Miscellaneous					76,787	-	76,787	249
Sale of Surplus Assets								7,500
Transfers					-	-	-	-
Total General Revenues, Transfers and Special Items					7,789,845	16,340	7,806,185	192,246
Changes in Net Assets					288,143	28,051	316,194	3,199,563
Net Assets, Beginning of Period					19,748,549	(26,110)	19,722,439	1,876,586
Net Assets, End of Period					$ 20,036,692	$ 1,941	$ 20,038,633	$ 5,076,149

The accompanying notes to basic financial statements are an integral part of this statement.

Brooks County, Georgia
Balance Sheet
Governmental Funds
June 30, 2011

	General	Major Capital Project Funds: Special Purpose Local Option Sales Tax 2004 Issue	Major Capital Project Funds: Special Purpose Local Option Sales Tax 2008 Issue	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	$ 1,294,752	$ 325,563	$ 259,033	$ 172,305	$ 2,051,653
Investments	1,823,143	542,479		-	2,365,622
Receivables					
Taxes	754,669	-	-	-	754,669
Intergovernmental	338,900	-	98,280	84,691	521,871
Interfund	287,906	-	-	13,699	301,605
Other	13,519	-	-	21,120	34,639
Inventories	51,935	-	-	-	51,935
Prepaid Expenses	136,225	-	-		136,225
Resticted Assets					
Cash and Investments	51,954	-	-	-	51,954
Other	1,363,307	-	-	-	1,363,307
Total Assets	$ 6,116,310	$ 868,042	$ 357,313	$ 291,815	$ 7,633,480
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	$ 64,202	$ 36,732	$ -	$ -	$ 100,934
Accrued Expenses	172,852	-	-	39,807	212,659
Intergovernemntal	-	-	72,358	-	72,358
Interfund Payables		111,100	51,420	84,983	247,503
Deferred Revenue	214,310	-	-	-	214,310
Total Liabilities	451,364	147,832	123,778	124,790	847,764
Fund Balance					
Nonspendable	188,160		-		188,160
Restricted	26,019	720,210	233,535	168,113	1,147,877
Committed	1,363,307				1,363,307
Assigned	278,736				278,736
Unassigned	3,808,724			(1,088)	3,807,636
Total Fund Balance	5,664,946	720,210	233,535	167,025	6,785,716
Total Liabilities and Fund Balance	$ 6,116,310	$ 868,042	$ 357,313	$ 291,815	$ 7,633,480

The accompanying notes to basic financial statements are an integral part of this statement.

Brooks County, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2011

Total Fund Balance - Governmental Funds (Page 5)		$ 6,785,716
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because		
In Governmental Activities capital outlays are considered a use of financial resources and treated as expenditures in the period acquired. In the Statement of Net Assets capital assets are capitalized and reported as assets, net of accumulated depreciation. These assets consists of:		
Infrastructure	$ 8,118,882	
Site and site improvements, including buildings	6,369,963	
Machinery and Equipment	4,197,493	
Furniture and Fixtures	516,601	
	19,202,939	
Accumulated Depreciation	6,196,149	
	13,006,790	
Construction in Progress	257,398	13,264,188

Proceeds from general long-term debt is reported as a source of current financial resources in Governmental Fund Activities. In the Statement of Net Assets the balance of general long-term debt is reported as a liability. These liabilities consits of:

	Amount Payable			
	Current	Long-Term	Total	
Capitalized Leases	$ 21,060	$ 130,832	$ 151,892	
Notes Payable	-		-	
Construction Financing	-	-	-	
Totals	$ 21,060	$ 130,832	$ 151,892	(151,892)

Property tax revenues collected after the end of the year but not available to pay current period expenditures are deferred in Governemntal Activities.	214,310
Expenses reported in the Statement of Activities which do not require the use of current financial resources and are not reported as expenditures in governmental activities.	(75,630)
Net Assets of Governmental Activities (Page 3)	$ 20,036,692

The accompanying notes to basic financial statements are an integral part of this statement.

Brooks County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2011

	General	Capital Project Funds: Special Purpose Local Option Sale Tax 2004 Issue	Capital Project Funds: Special Purpose Local Option Sale Tax 2008 Issue	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$ 4,893,403	$ -	$ -	$ -	$ 4,893,403
Sales Tax	832,780	-	1,080,609	-	1,913,389
Insurance Premium Tax	513,306	-	-	-	513,306
Other Taxes	378,059	-	-	-	378,059
Licenses and Permits	69,883	-	-	-	69,883
Intergovernmental	555,663	368,363	-	151,055	1,075,081
Charges for Services	566,001	-	-	94,886	660,887
Fines and Forfeitures	241,508	-	-	72,354	313,862
Investment	35,701	8,979	-	742	45,422
Other	92,211	-	-	408	92,619
Total Revenues	8,178,515	377,342	1,080,609	319,445	9,955,911
Expenditures					
Current					
General Government	1,513,202	-	-	-	1,513,202
Judicial	994,386	-	-	3,667	998,053
Public Safety	3,007,355	-	20,957	640,475	3,668,787
Public Works	1,634,378	135,106		-	1,769,484
Health and Welfare	161,074	-	-	44,143	205,217
Culture and Recreation	177,793	-	-	-	177,793
Housing and Development	333,313	-	318,453	-	651,766
Intergovernmental	-	-	414,987	-	414,987
Debt Service					
Principal	20,336	-	-	-	20,336
Interest	5,704	-	-	-	5,704
Capital	-	497,372	100,250	41,967	639,589
Total Expenditures	7,847,541	632,478	854,647	730,252	10,064,918
Excess (Deficit) of Revenues Over (Under) Expenditures	330,974	(255,136)	225,962	(410,807)	(109,007)
Other Financing Sources (Uses)					
Proceeds from Debt Financing	-				-
Transfers, net	(379,500)	(667)	-	380,167	-
Net Other Financing Sources (Uses)	(379,500)	(667)	-	380,167	-
Change in Fund Balance	(48,526)	(255,803)	225,962	(30,640)	(109,007)
Fund Balance, Beginning	5,713,472	976,013	7,573	197,665	6,894,723
Fund Balance, Ending	$ 5,664,946	$ 720,210	$ 233,535	$ 167,025	$ 6,785,716

The accompanying notes to basic financial statements are an integral part of this statement.

Brooks County, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2011

Net Change in Fund Balance - Total Governmental Funds (Page 7)	$ (109,007)
Amounts Reported for *Governmental Activities* in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital outlays is allocated over their estimated useful lives as depreciation expense.	1,026,177
Governmental funds report interest expense as expenditures. In the Statement of Activities, interest related to capital financing is included in the cost of assets.	-
Depreciation is not reported as an expense in Governemntal Funds. However, depreciation expense is included in the Statement of Activities.	(646,261)
Revenues that do not provide current financial resources are reported in the Statement of Activities, but are excluded from revenues in Governemntal Funds.	(2,790)
Proceeds from long-term debt provides current financial resources in Governmental Funds, but the issuing of debt increases liabilities in the Statement of Activities.	-
Repayment of long-term debt is a use of current financial resources in Governmental Funds, but the repayment of debt decrease liabilities in the Statement of Activities.	20,336
Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governemntal funds.	(312)
Proceeds from the disposition of capital assets are reported in the governmental funds without reduction for undepreciated bases. The 'gain or loss' from the disposition of capital assets is reduced by the undepreciated basis of the assets in the statement of activities	-
Change in Net Assets of Governmental Activities (Page 4)	$ 288,143

The accompanying notes to basic financial statements are an integral part of this statement.

Brooks County, Georgia
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2011

	Budget		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	Original	Final		
Revenues				
Property Taxes	$ 4,749,815	$ 4,749,815	$ 4,893,403	$ 143,588
Local Option Sales Tax	911,592	911,592	832,780	(78,812)
Insurance Premium Tax	527,782	527,782	513,306	(14,476)
Other Taxes	253,500	253,500	378,059	124,559
Licenses and Permits	121,500	121,500	69,883	(51,617)
Intergovernmental	182,931	220,431	555,663	335,232
Charges for Services	491,351	491,351	566,001	74,650
Fines and Forfeitures	253,000	253,000	241,508	(11,492)
Investment	25,000	25,000	35,701	10,701
Other and Miscellaneous	39,300	39,300	92,211	52,911
Total Revenues	7,555,771	7,593,271	8,178,515	585,244
Expenditures				
General Government	1,499,676	1,608,416	1,513,202	95,214
Judicial	967,578	971,178	994,386	(23,208)
Public Safety	3,021,740	3,017,306	3,007,355	9,951
Public Works	1,668,228	1,674,975	1,634,378	40,597
Health and Welfare	139,892	140,192	161,074	(20,882)
Culture and Recreation	196,171	196,171	177,793	18,378
Housing and Development	341,714	296,364	333,313	(36,949)
Debt Service	-	26,000	26,040	(40)
Total Expenditures	7,834,999	7,930,602	7,847,541	83,061
Excess (Deficit) of Revenues Over (Under) Expenditures	(279,228)	(337,331)	330,974	668,305
Other Financing Sources (Uses)				
Transfers	(402,699)	(402,699)	(379,500)	23,199
Proceeds from Long-Term Debt Financing	107,250	-	-	-
Appropriation of Surplus	574,677	740,030	-	(740,030)
Net Other Financing Sources (Uses)	279,228	337,331	(379,500)	(716,831)
Change in Fund Balance	(0)	(0)	(48,526)	(48,526)
Fund Balance, Beginning	5,713,472	5,713,472	5,713,472	-
Fund Balance, Ending	$ 5,713,472	$ 5,713,472	$ 5,664,946	$ (48,526)

The accompanying notes to basic financial statements are an integral part of this statement.

Brooks County, Georgia
Statement of Net Assets
Proprietary Fund
June 30, 2011

	Major Enterprise Fund Solid Waste
Assets	
Current Assets	
Cash and Cash Equivalents	$ 254,789
Receivables	
Solid Waste Assessments	95,537
Intergovernmental	86,902
Prepaid Expenses	-
Total Current Assets	437,228
Capital Assets	
Equipment	32,085
Accumulated Depreciation	(13,869)
Net Capital Assets	18,216
Non-Current Assets	
Intergovernmental Receivable	588,088
Total Assets	$ 1,043,532
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	$ -
Accrued Expenses	489
Interfund	54,102
Accrued Closure & Post-Closure Care Cost	82,250
Total Current Liabilities	136,841
Long-Term Liabilities	
Accrued Closure & Post-Closure Care Cost	904,750
Total Long-Term Liabilities	904,750
Total Liabilities	1,041,591
Net Assets	
Invested in Capital Assets, net of related debt	18,216
Restricted	
Unrestricted	(16,275)
Total Net Assets	1,941
Total Liabilities and Net Assets	$ 1,043,532

The accompanying notes to basic financial statements are an integral part of this statement.

Brooks County, Georgia
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2011

	Major Enterprised Fund Solid Waste
Operating Revenues	
Solid Waste Asssments	$ 832,639
Intergovernmental	156,957
Operating Grants	-
Other	-
Total Operating Revenues	989,596
Operating Expenses	
Salary and Wages	21,564
Benefits	1,643
	23,207
Disposal	767,071
Closure and Post Closure Care	182,795
Supplies	377
Other	1,678
Depreciation	2,757
Intergovernmental Payments	-
Total Operating Expeses	977,885
Operating Income (Loss)	11,711
Non-Operating Revenue (Expense)	
Investment Income	16,340
Total Non-Operating Revenue (Expense)	16,340
Income (Loss) Before Transfers	28,051
Transfers	-
Change in Net Assets	28,051
Net Assets, Beginning	(26,110)
Net Assets, Ending	$ 1,941

The accompanying notes to basic financial statements are an integral part of this statement.

Brooks County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2011

	Major Enterprise Fund Solid Waste
Cash Flow from Operating Activities	
Solid Waste Assessments Received	$ 822,626
Intergovernmental	132,349
Closure and Post Closure Care	(221,042)
Purchase of Goods and Services	(741,103)
Compensation and Benefits	(23,126)
Cash flow from Operating Activities	(30,296)
Cash Flow from Non-Capital Financing Activities	
Operating Grants	-
Transfers	-
Cash Flow from Non-Capital Financing Activities	-
Cash Flow from Capital and Related Financing	
Purchase of Capital Assets	-
Cash Flow from Capital and Related Financing	-
Cash flow from Investing Activities	
Investment Inome	16,340
Cash Flow from Investing Activities	16,340
Net Increase (Decrease) in Cash and Cash Equivalents	(13,956)
Cash and Cash Equivalents, Beginning	268,745
Cash and Cash Equivalents, Ending	$ 254,789
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used By) Operating Activities	
Operating Income (Loss)	$ 11,711
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:	
Depreciation Expense	2,757
Change in Assets and Liabilities:	
(Increase) in Solid Waste Assessments Receivable	(10,013)
(Increase) in Intergovernmental Receivables	(24,608)
Increase in Internal Balances	28,023
(Decrease) in Obligation for Closure and Post-Closure Care Cost	(38,249)
(Decrease) in Accounts Payable and Accrued Expenses	83
Net Cash Provided (Used) By Operating Activities	$ (30,296)

The accompanying notes to basic financial statements are an integral part of this statement.

Brooks County, Georgia
Statement of Fiduciary Assets and Liabilities
June 30, 2011

	Agency Funds
Assets	
Cash	$ 186,065
Taxes	906,360
Other	20,968
Total Assets	$ 1,113,393
Liabilities	
Accounts	$ 22,155
Intergovernmental	
Uncollected Taxes	906,360
Other	184,878
Total Liabilities	$ 1,113,393

The accompanying notes to basic financial statements are an integral part of this statement.

Note 1 – Summary of Significant Accounting Policies

The County operates under a board of commissioners form of government and provides the following services in addition to general administrative responsibilities: public safety (sheriff, fire and ambulance); public works (roads and bridges and solid waste management); tax administration (assessing and collecting); courts (superior, state, probate, and magistrate); culture and recreation; health and social services; and economic development.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Government Accounting Standards Board (GASB) is the accepted standard – setting body establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies is described below.

(A) Reporting Entity

In evaluating the County, for financial reporting purposes, management considers all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles. The basic criterion for including a potential component unit in the reporting entity is the significance of its operational or financial relationship of the potential component unit to the county. Significant manifestations of operational or financial relationships are the abilities of the County to select or approve the governing authority, imposition by the County of its will on the potential component unit, ability of the potential component unit to provide financial benefits to, or impose specific financial burdens, on the County, and responsibility by the County for the fiscal dependency of the potential component unit.

Blended Component Unit

The Brooks County Law Library, established in accordance with the provisions of O.C.G.A. 36-15, is reported as a blended component unit (a special revenue fund of the County). The library is managed by a separate board. The County is required to provide space, utilities and maintenance for the library. All law books, reports, texts, and periodicals purchased by the library are the property of the County. The library is reported as a blended component unit because the law library provides services exclusively or almost exclusively to the primary government. Separate financial statements for the law library are available in the County administrative offices.

Discretely Presented Component Unit

Discretely presented component units are reported in a separate column in the combined financial statement to emphasize that the component unit is legally separate from the county government.

The Brooks County Board of Health is included as a discretely presented component unit because the County appoints the governing authority, financial interdependence, and the ability to significantly influence operation. The statements include the general and special revenue governmental funds. Financial data of the Brooks County Board of Health is reported as of and for the period ended June 30, 2011. The Board of Health's financial statements are available in the office of the County Clerk.

The Brooks County Development Authority is also included as a discretely presented component unit because the County appoints the governing authority and has the ability to significantly influence the Authority's operations. The statements include the business-type activities of the authority. Financial data of the development authority is reported as of and for the period ended December 31, 2010. The development authority's financial statements are available in the offices of the Authority and the County Clerk.

The following functions and activities are not included in the accompanying financial statements:

Brooks County Board of Education	Development Authority of Brooks County
Brooks County Hospital Authority	Brooks County Industrial Authority
Brooks County Library Board	Quitman-Brooks County Airport Authority

These potential component units have separately elected and/or appointed boards and provide services to residents within the geographic boundaries of the County. The County does not have the ability to exercise influence or control over daily operations, approve budgets and provide partial or no funding. Copies of the financial statements of these authorities may be obtained from the secretary of each authority.

(B) Basis of Presentation

Effective October 1, 2003, the County implemented the provisions of Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This statement establishes accounting and financial reporting standards for general purpose external financial reporting by local governments and establishes specific standards for the basic financial statements, management's discussion and analysis, and certain required supplementary information. Governments are required to report government-wide as well as fund level financial statements.

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities, which are generally supported by taxes, intergovernmental revenues and non-exchange transactions, are reported separate from business-type activities, which rely primarily on fees and charges for services. The primary government is reported separate from legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are expenses which are specifically associated with a particular activity. Program revenues include (a) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given activity and (b) grants and contributions which are restricted to meeting the operational or capital requirement of a particular activity. Taxes and other revenues not classified as programs revenues are reported as general revenues.

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

The accounts of the County are organized by funds and account groups, each of which is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equities, revenues (income) and expenditures (expenses). Resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The County's fund types are:

Governmental Fund Types

Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balance of expendable financial resources and the sources and the related liabilities are accounted for through governmental funds. The objective for evaluation is based upon the determination of changes in financial position rather than objective for net income. The following are the County's governmental fund types:

General Fund – The principal operating fund of the County used to account for all financial resources not accounted for in another fund.

Special Revenue Funds – These funds account for the proceeds from specific revenue sources that are legally restricted to expenditures for specific purposes.

Capital Projects Funds – These funds account for financial resources used for the acquisition, construction, repair, and renovation of major capital facilities that are not financed by proprietary and trust funds.

Proprietary Funds

Proprietary funds account for on-going activities that are similar to the activities often found in the private sector. The objective for evaluation is based upon the determination of financial position and results of operations (net income). The County's proprietary fund is:

The Solid Waste Enterprise Fund – This fund accounts for operations and activities (a) financed and operated similarly to the private business enterprise where costs (expenses, including depreciation) of providing services to the public are financed or recovered primarily through user fees and/or special tax assessments; or (b) where the governing authority has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Funds

Agency Funds – Agency Funds account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds of Brooks County consist of the following:

Clerk of the Superior Court
Probate Court
State Court
Magistrate Court
Sheriff's Department
Tax Commissioner

(C) Measurement Focus, Basis of Accounting, and Financial Presentation

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

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when collectible within the current period or soon enough thereafter to pay current period liabilities. The government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded when payment is due.

Revenues susceptible to accrual include property taxes, franchise taxes, governmental grants, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the County are also recognized as revenue. Fines, forfeitures, and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Proprietary Funds

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Fiduciary Funds

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

The County's major governmental funds are:

The General Fund is the government's primary operating fund. All financial resources of the general government, other than resources required to be accounted for in another fund, are reported in the general fund.

The Special Purpose Local Option Sales Tax (Capital Project) Funds for capital projects financed from the special purpose local option sales tax referendums approved by voters for the four year reporting periods beginning in April 2004 and January 2009.

The County's only proprietary fund is the Solid Waste Collection, Recycling, and Disposal Fund.

Non-major funds include all special revenue funds and the Special Purpose Local Option Sales Tax –2000 Issue (a capital project fund).

Program Revenues

Amounts reported as program revenues include (a) charges to customers or applicants for goods, services, or privileges provided, (b) operating grants and contributions which finance current operating activities including restricted investment income, and (c) capital grants and contributions, including special assessments, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions on program use. For identifying to which function program revenue pertains, the determining factor for the charge for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted.

Taxes and other revenue sources not included with program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or supported by general revenues.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Charges to municipalities for reimbursements of the cost of solid waste management services are reported as intergovernmental operating revenues. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

For the most part, interfund transactions have been eliminated from the statements.

(D) Cash and Investments

Cash includes amounts in demand and savings (including time) deposits. The County does not have any investments other than interest bearing checking accounts and certificates of deposit. The County has no specific investment policy in regards to custodial credit risk.

The Official Code of Georgia (O.C.G.A. 36-83-4) authorizes the County to invest in obligations of this or other states, the United States government, obligations fully insured or guaranteed by the United States government or a United States government agency, obligations of any corporation of the United States government, prime banker's acceptances, local government investment pools established by O.C.G.A. Section 36-83-8, repurchase agreements, and obligations of other political subdivisions of this state.

(E) Assets Held for Resale

Real estate originally purchased for development of a future solid waste disposal site is reported as an investment. When the County abandoned plans to develop its own solid waste disposal facility, the investment was transferred from the Solid Waste Enterprise Fund to the General Fund. The investment is carried at cost which management believes does not exceed current fair market value. Real estate purchased for resale to the Brooks County Development Authority for future development of an industrial park is reported as an investment.

(F) Inventory

Inventories of road construction materials (pipe, rock, stone, gravel, asphalt, etc.) are recorded at cost using the first-in, first-out method of accounting. The cost of road construction materials are recognized as expenditures when the materials are consumed (consumption method). The cost of other materials and supplies, including gasoline and fuel, are charged to operations using the purchase method of accounting.

(G) Restricted Assets

Cash and other resources are classified as restricted assets where use is limited by law, grants, or local ordinances.

(H) Prepaid Items

Expenditures for insurance are charged to the period benefited. All other expenditures are charged to expense when purchased.

(I) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial estimated useful life of more than two years. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

General infrastructure assets acquired prior to October 1, 2003 are not reported in the basic financial statements. General infrastructure assets include roads, streets, sidewalks, and bridges and other similar assets acquired subsequent to September 30, 2003.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the constructed assets.

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

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset Classification	Lives
Land and Improvements	
Infrastructure	40 to 50 years
Buildings and Improvements	25 to 40 years
Machinery and Equipment	5 to 10 years
Office and Technology Equipment	3 to 10 years
Transportation Equipment	3 to 10 years

The County has not adopted a capitalization policy.

(J) Short-Term Notes Payable

Revenue anticipation notes not expected to be refinanced and for which no refinancing agreement has been arranged, are reported as a fund liability in the fund receiving and disbursing the proceeds. The County arranges interim borrowing to finance current operations which are expected to be repaid from advalorem taxes collected in subsequent years.

(K) Compensated Absences

The County allows full time, permanent employees to accumulate unused annual leave and sick leave to a maximum of thirty-five days. Upon termination, up to fifteen days of accumulated annual leave and zero days of accumulated sick leave is payable to the employee. Sick leave may be accumulated to a maximum of twenty days and is payable only upon illness while employed.

The cost of compensated absences is recorded as liabilities in the applicable government-wide, business-type activities, or proprietary fund type statement of net assets. All vacation pay is 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. These liabilities are typically liquated by the general fund.

(L) Long-Term Obligations

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, business-type activities or proprietary fund type statement of net assets.

In the governmental funds statement of revenues, expenditures and changes in fund balance the proceeds of long-term debt financing is reported as other financing sources. The repayment of general long-term debt is reported as an expenditure of current financial resources.

(M) Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

(N) Fund Balance

Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County's Board of Commissioners through the adoption of a resolution. The County's Board of Commissioners also may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County's Board of Commissioners has authorized the County's manger to assign fund balances.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

Committed
Assigned
Unassigned

Net Assets – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has not spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted as described in the fund balance section above. All other assets are reported as unrestricted.

(O) Internal Transactions

Quasi-external transactions are accounted for as revenues, expenditures, and expenses. Transactions that constitute reimbursements to a fund for expenditures (or expenses) initially made from it that are properly allocable to another fund are recorded as expenditures (or expenses) in the reimbursing fund and as reductions of expenditures (or expenses) in the fund reimbursed. All other Interfund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other transfers are reported as operating transfers.

(P) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(Q) Statement of Cash Flows

For purposes of the statement of cash flows, the Solid Waste Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(R) Schedules of Financial Assistance and One Percent Special Purpose Local Option Sales Tax Project Cost Schedules

The basis of accounting employed by the fund type in which revenues and expenditures are reported for funding from federal, state and other financial assistance programs and one percent special purposes local option sales tax projects are also used to report receipts/revenues and disbursements/expenditures for the Schedule of Federal Financial Assistance, Project Cost Schedule – One Percent Special Purpose Local Option Sales Tax, and Schedule of State and Other Assistance.

Note 2 – Stewardship, Compliance, and Accountability

(A) - Budgets – Legal Compliance

The County's Finance Ordinance requires the governing authority to adopt annual budgets for all governmental fund types (general and special revenues). An annual budget is also prepared for the County's Solid Waste Enterprise Fund. Budgets for capital project funds are adopted on a project basis rather than an annual basis. The budgets are prepared and adopted on a basis consistent with generally accepted accounting principles.

The county administrator may transfer appropriations in any fund among the various accounts within a department. Transfers within a department, which increase salaries, require approval of the board of commissioners. Any increase in appropriation for any fund or department within a fund requires approval of the board of commissioners. Except for appropriations for capital expenditures, all appropriations, to the extent not expended or encumbered, lapse at the close of the period for which the appropriation was budgeted. Appropriations for capital expenditures continue in effect until the purpose for which made has been accomplished or abandoned. Capital appropriations are deemed abandoned after three years when there has been no disbursement or encumbrance of the appropriation.

The Board of Commissioners advertises and conducts public hearings according to the requirements of state law and the County's finance ordinance. The final budget for the fiscal year, July 1 through June 30, is adopted by the preceding June 30.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reserve a portion of the applicable appropriation, is not employed by the County as an extension of formal budgeting in the general and special revenue funds. Encumbrances outstanding at year-end are not reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitment will be honored during the subsequent year.

Budget Revisions

Budget amounts included on all budget comparisons are as amended as of June 30, 2011 by the Board of Commissioners. Supplemental appropriations, which result primarily from receipt of unanticipated revenues from federal and state grants, are included in budgeted amounts.

(B) – Excess of Expenditures over Appropriations

Expenditures exceeded appropriations in the following governmental funds:

Drug Abuse Treatment and Education	$	13,414
Federal Seizure and Confiscated Property		4,119
Family Connection Grant		393

The following departmental expenditures exceeded final budget appropriations:

General Fund		
General Government		
Tax Collecting	$	2,014
General Government Buildings		15,771
Judicial		
Clerk of Superior Court		17,166
State Court		9,048
Probate Court		1,078
Magistrate Court		5,080
Public Defender		1,311
Public Safety		
Criminal Investigation		15,070
Patrol		5,432
Detention Facility		10,262

Health and Welfare	
Transportation Services	20,689
Housing and Development	
Building Inspection	1,884
Planning and Zoning	720
Economic Development	47,080

(C) – Deficit Fund Balances

The governmental funds – Drug Seizure and Confiscated Property and The Family Connection Grant have deficit fund balances of $889 and $199, respectively.

Note 3 – Cash and Cash Equivalents

As of June 30, 2011, the primary government's deposits, including certificates of deposits, were $4,566,616 and the account balances per the financial institutions were $5,273,921. Of the total account balances per the financial institutions, $2,483,986 was insured through the Federal Deposit Insurance Corporation (the FDIC). The remaining balance was collateralized with pooled securities held by the financial institutions' trust departments or by the pledge of the financial institutions' securities. Securities are held in the name of the institution and not in the name of the County.

Cash and cash equivalents, invested in savings and certificates of deposit in financial institutions, consist of the following:

Account Type	
Cash on Hand	$ 353,467
Cash and demand deposits	2,190,994
Investments (time deposits)	2,365,622
Total	$ 4,910,083

Restricted cash is summarized as follows:

Board of Education - Escrow from property tax sales	$ 15,284
Retirement Benefits – Superior Court Judges	2,670
Grants	34,000
	$ 51,954

Note 4 – Property Tax

The County collects taxes on real, intangible, and personal property including motor vehicles and mobile homes. The Brooks County Tax Commissioner acts as collection agent for the County, County Board of Education, Brooks County Development Authority, and State of Georgia for taxes on real, personal, and intangible property, and for the cities within the County for taxes on motor vehicles, mobile homes, and intangible property owned by city residents. Georgia statutes do not provide a maximum mileage rate that may be levied.

The County's property tax calendar is as follows:

Assessment Date	January 1
Due date for return of real & personal property	April 1
Assessors complete digest revisions and return completed digest to Commissioner	July 2
Levy Date	July 29
Digest is submitted to State Revenue Commissioner	August 21
Tax Commissioner mails annual tax bills	September 15
Due date of taxes, other than motor vehicles	November 15
Execution (lien) date for unpaid taxes	December 15

Tax revenues are recognized during the period for which they are levied. An allowance is established for delinquent taxes to the extent that their collectibility is questionable. Taxes collected within the current period and within sixty days thereafter are considered available to finance current operations.

Property taxes receivable as of June 30th are summarized as follows:

Current year levies, net	$ 716,589
Prior year levies	38,080
Total	$ 754,669

Note 5 – Receivables

Receivables as of June 30, 2011 for the County's major and non-major governmental activities, and proprietary fund types are summarized as follows:

	Governmental Type Activities				
	General Fund	Special Revenue Funds	Capital Projects Funds	Proprietary Funds Types	Totals
Receivables					
Property Taxes	$ 754,669	$	$	$	$ 754,669
Charges	$	$ 21,120	$	$ 95,537	$ 116,657
Other Accounts	$ 13,519	$	$	$	$ 13,519
Intergovernmental					
State of Georgia					
Local Option Sales Tax	$ 75,298		$ 98,280		$ 173,578
Grants	246,266	42,367			288,633
City of Quitman					
Shared Expenses					
Recreation Department	8,990				8,990
Solid Waste Operations				33,440	33,440
Post closure Care				641,550	641,550
Gasoline and Fuel	8,346				8,346
Board of Education					
Shared Expenses					
School Resource Officers		42,324			42,324
Total Intergovernmental	$ 338,900	$ 84,691	$ 98,280	$ 674,990	$ 1,196,861

Note 6 – Interfund Balances

Interfund receivables and payables result from temporary advances, primarily from the general fund to other funds, to finance current operating expenditures and are summarized as follows:

	Internal Balances	
	Receivable	Payable
Major Governmental Funds		
General Fund	$ 287,906	$ -
Capital Project Funds		
2004 Issue		111,100
2008 Issue		51,420
Non-Major Governmental Funds	13,699	84,983
Total Governmental Funds	301,605	247,503
Proprietary-Enterprise Fund		54,102
Totals	$ 301,605	$ 301,605

Non-major governmental interfund payables are comprised of - $71,284. The Proprietary-Enterprise Fund interfund balance is payable to the General Fund.

Transfers primarily from the general fund to other funds to finance current operations are summarized as follows:

	Transfers	
	In	Out
Major Governmental Funds		
General Fund	$	$ 379,500
Capital Project Funds		
2004 Issue		667
2008 Issue		
Non-Major Governmental Funds	380,167	
Total Governmental Funds	380,167	380,167
Proprietary-Enterprise Fund		
Totals	$ 380,167	$ 380,167

Note 7 – Changes in Capital Assets

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

	Beginning Balance	Additions	Retirements	Transfers/ Adjustments	Ending Balance
Governmental Activities:					
Capital Assets not being Depreciated					
Land and Improvements	$ 308,321	$	$	$	$ 308,321
Construction in Progress	573,895	247,850		(564,347)	257,398
Total Assets not being Depreciated	882,216	247,850		(564,347)	565,719
Other Capital Assets					
Infrastructure	7,554,535	-		564,347	8,118,882
Building and Improvements	5,912,330	149,312			6,061,642
Machinery and Equipment	2,454,164	60,523			2,514,687
Transportation Equipment	1,563,640	119,166			1,682,806
Office and Technology Equipment	452,682	63,919			516,601
Total Other Capital Assets	17,937,351	392,920		564,347	18,894,618
Less Accumulated Depreciation					
Infrastructure	976,191	209,387		(287,307)	898,271
Building and Improvements	1,263,095	168,250		(26,750)	1,404,595
Machinery and Equipment	1,968,725	123,389		(71,593)	2,020,521
Transportation Equipment	1,342,666	107,266			1,449,932
Office and Technology Equipment	384,619	37,969		242	422,830
Total Depreciation	5,935,296	646,261	-	(385,408)	6,196,149
Net Other Capital Assets	12,002,055	(253,342)	-	178,939	12,698,469
Total Capital Assets, net	$ 12,884,271	$ (5,491)	$ -	$ 385,408	$ 13,264,188

	Beginning Balance	Additions	Retirements	Transfers/ Adjustments	Ending Balance
Business Type Activities:					
Other Capital Assets					
Machinery and Equipment	$ 32,085	$	$	$	$ 32,085
Total Other Capital Assets	32,085				32,085
Less Accumulated Depreciation					
Machinery and Equipment	11,111	2,758			13,869
Total Depreciation	11,111	2,758			13,869
Total Capital Assets, net	$ 20,974	$ 2,758	$	$	$ 18,216

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	$ 75,052
Judicial	3,013
Public Safety	232,774
Public Works	297,472
Health and Welfare	14,697
Culture and Recreation	14,918
Housing and Development	8,335
Total Depreciation Expense – Governmental Activities	$ 646,261

Construction in Progress is summarized as follows:

	Cost to Date	Estimated Final Cost
Infrastructure	$ 234,809	$ 398,690
Total Cost	$ 234,809	$ 398,690

Note 8 – Assets Held for Resale

Investment in real estate held for resale as of June 30, 2011 is summarized as follows:

Tract I – 388.233 acres acquired in 1992 located in land lots 298 and 299 in 12th land district and land lot 10 of the 13th land district of Brooks County, Georgia.	$ 420,094
Tract II – 221.66 acres acquired November 23, 2004 located in land lots 347 and 348 in the 12th land district of Brooks County, Georgia	943,213
Total	$ 1,363,307

Tract I – Consists of unimproved agricultural real estate originally purchased by the Solid Waste Enterprise Fund for the future solid waste disposal site of the County. The original cost of the real estate was $350,000. Engineering fees and other cost related to Environmental Protection Agency approval of the site for a landfill in the amount of $70,094 have been capitalized. In 1994 the County abandoned plans to develop this property for a county landfill.

Tract II – In November 2004 the County purchased 546.66 acres in land lots 347 and 348 of the 12th land district of Brooks County, Georgia at a total cost of $2,320,583 ($2,295,963 plus capitalized acquisition cost of $24,620). The real estate was purchased to assist the Brooks County Development Authority acquire property for development into a future industrial park. The Brooks County Industrial Authority purchased two hundred fifty acres of this tract for development into an industrial park and seventy-five additional acres were sold to a third party. The County's basis in the remaining 221.66 acres is $943,213 or $4,255 per acre.

Note 9 – General Long-Term Debt

Governmental fund long-term indebtedness consists of the following:

Capitalized Lease Obligation

John Deere Credit Corporation – lease in the original amount of $203,600 to purchase a 2009 John Deere 670 Motorgrader with Remco Sloper. The lease dated December 1, 2008 is payable $2,170 per month including interest at three and one-half percent through November 1, 2017. Annual debt service requirements are as follows:

Year	Principal	Interest	Total
2012	$ 21,060	$ 4,980	$ 26,040
2013	21,809	4,231	26,040
2014	22,584	3,456	26,040
2015	23,387	2,653	26,040
2016	24,219	1,821	26,040
2017 - 2018	38,833	1,106	39,939
	$ 151,892	$ 18,247	$ 170,139

Business type activities long-term indebtedness consists of the following:

Landfill Post-closure Care

The Quitman-Brooks County Solid Waste Facility was closed by permission of the Environmental Protection Division of the State of Georgia on April 8, 1994. Closure and post-closure care cost is estimated to approximate $987,000 during the remaining twelve years through 2023. Post-closure care and any applicable remediation expenses are being financed by special tax assessment levies of the tax digest and reimbursements from the City of Quitman. Estimated maturities of post-closure care cost are recorded as long-term debt in the solid waste enterprise fund as follows:

Year	Total
2012	$ 82,250
2013	82,250
2014	82,250
2015	82,250
2016	82,250
2017 – 2021	411,250
2022 – 2023	164,500
	$ 987,000

Changes in long-term debt obligations for the year ended June 30, 2011 are summarized as follows:

	Balance Beginning of Period	Additions	Repayments	Balance End of Period	Amount Due In One Year
Governmental Activities					
Capitalized Lease Obligations	$ 172,227	$ -	$ 20,335	$ 151,892	$ 21,060
Compensated Absences	75,290	75,630	75,290	75,630	75,630
Total Governmental Activities	247,517	75,630	95,625	227,522	96,690

	Balance Beginning of Period	Additions	Repayments	Balance End of Period	Amount Due In One Year
Business Type Activities					
Solid Waste Enterprise Fund					
Landfill Post-Closure Care	1,096,282	73,513	182,795	987,000	82,250
Total Business Type Activities	1,096,282	73,513	182,795	987,000	82,250
Total	$ 1,343,799	$ 149,143	$ 278,420	$ 1,214,522	$ 178,940

Compensated absences are funded from governmental activities.

Note 10 – Fund Balance – Governmental Funds

The fund balance for governmental funds are comprised of the following:

	General Fund	Major Capital Project Funds Special Purpose Local Option Sales and Use Tax 2004 Issue	Major Capital Project Funds Special Purpose Local Option Sales and Use Tax 2008 Issue	Other Funds	Totals
NonSpendable:					
Inventories	$ 51,935	$ -	$ -	$ -	$ 51,935
Prepaid Items	136,225				136,225
Restricted for:					
Special Revenue Funds:					
Law Library Fund				36,405	36,405
Confiscated Asset Fund				3,015	3,015
Drug Abuse Treatment and Education				931	931
Grant Funds	26,019			26,362	52,381
Jail Construction and Staffing				99,927	99,927
Emergency 911 Telephone Fund				1,473	1,473
Capital Project Funds:					
Special Purpose Local Option Sales and Use Tax Funds		720,210	233,535		953,745
Committed to:					
Real Estate Held for Resale And Future Development	1,363,307				1,363,307
Assigned to:					
Subsequent Year's Budget	278,736				278,736
Unassigned:	3,808,724			(1,088)	3,807,636
Total	$ 5,664,946	$ 720,210	$ 233,535	$ 167,025	$ 6,785,716

Note 11 – Retirement Benefits

(A) Plan Description

The County participates in and contributes to the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (The ACCG Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

The plan provides retirement, death and disablement benefits, if eligibility conditions are met, to plan participants and their beneficiaries. The ACCG, as the plan sponsor, has authority to amend the provisions of the plan. The County has authority to amend the adoption agreement, which defines the specific provisions of the plan. The plan administrator, Government Employee Benefits Corporation of Georgia, provides annual financial reports and required supplementary information. That information may be obtained from the County Clerk.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan, but not beyond age seventy. Upon eligibility to retire, participants are entitled to an annual benefit of .75% of average compensation up to $6,600 plus 1.25% of average compensation in excess of $6,600 plus $36 for each year of credited service payable as a life annuity. Service is limited to thirty-five years. Compensation is averaged over a five-year period prior to retirement or termination.

(B) Contributions and Funding Policy

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Official Code of Georgia set forth the minimum funding standards for state and local governmental pension plans. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees who must satisfy the minimum funding requirement contained in the State of Georgia statutes.

The Constitution of the State of Georgia enables the governing authority of the County, the Board of Commissioners, to establish, and amend the contribution rates for the County and its plan participants.

County employees are not permitted to contribute to the Plan. The annual County contribution to the Plan is determined using the actuarial basis described in the annual valuation report.

(C) Plan Asset Matters and Accounting Policies

The Plan's financial statements are prepared on the accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and incremental changes in the cash value of pre-retirement life insurance policies owned by the trust.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in sixty percent equities and forty percent fixed income securities on a cost basis.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

(D) Funded Status and Progress

The amount shown below as the unfunded actuarial accrued liability is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funded status of the Plan on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the Plan.

Total unfunded actuarial accrued liability applicable to County employees was $(488,495) at January 1, 2011, as follows:

Actuarial Present Value of Accumulated Plan Benefits:		
Vested:		
Retirees and beneficiaries currently receiving benefits	$	1,084,185
Deferred vested, former employees not yet receiving benefits		469,622
Current employees:		
Accumulated employee contributions, (including investments earnings)		Not Applicable
Employer-financed vested (not including benefits attributable to projected future salary increases)		762,631
Total		2,316,438
Non-vested		
Employer-financed non-vested (including all benefits attributable to future projected salary increases)		107,155
Total	$	2,423,593
Effect of future salary increases	$	429,517
Total actuarial accrued liability	$	2,853,110
Net assets available for benefits (including receivables)	$	2,364,615
Net Assets in Excess of (Deficit of) Actuarial Present Value of Accumulated Plan Benefits	$	(488,495)

Significant actuarial methods and assumptions used in the valuation as of January 1, 2011 include:

Actuarial Valuation Date:	January 1, 2011
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent of Pay (Closed)
Remaining Amortization Period:	10 Years
Actuarial Assumption:	
Assumed Rate of Return on Assets	7.75%
Expected Future Salary Increases	4.5% - 7.0% Based on Age
Expected Inflation:	3.0%

Significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the unfunded actuarially accrued liability.

Plan Membership		
Retirees, beneficiaries and disables receiving benefits		41
Terminated plan participants entitled to future benefits		36
Active employees participating in the Plan		72
Total number of Plan Participants		149
Covered Compensation for Active Participants	$	2,030,288
Total Payroll for all Employees	$	3,376,928

(E) Contributions Required and Contributions Made

Annual pension cost for the last three years is summarized as follows:

Period	Annual Pension Cost	Annual Pension Contribution	Percentage of Annual Pension Cost Funded	Net Pension Obligation
2011	$ 192,615	$ 192,520	99.9%	$ (60,235)
2010	175,411	179,388	102.0%	(56,258)
2009	162,297	169,561	104.6%	(48,944)

Funding state based upon the most recent actuarial valuation is as follows:

Period	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) – (2)	(4) Unfunded AAL (UAAL) (2) – (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as Percentage of Covered Payroll (4) – (5)
2010	$ 2,439,192	$ 2,941,832	82.9%	$ 502,640	$ 1,879,537	26.7%
2009	2,306,242	2,777,050	83.0%	470,808	1,675,604	28.1%
2008	2,135,669	2,644,010	80.8%	508,341	1,444,472	35.2%

Analysis of the dollar amounts of net assets available for benefits and unfunded actuarial accrued liability in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the unfunded actuarially accrued liability provides one indication of funding status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan is financially. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan is financially.

In addition to the defined benefit pension plan above, the following pensions and retirement plans are in effect throughout the State of Georgia:

(a) Probate Judge's Retirement Fund of Georgia

The Probate Judge is covered under a pension plan that requires certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any cost or other claims.

(b) Clerk of Superior Court Retirement Fund

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

(c) Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and Sheriff Deputies are covered under separate pension plans that require certain sums from fines or bond forfeitures be remitted by the Probate Judge and Clerk of Superior Court to the pension plans before the payment of any cost or other claims.

(d) Superior Court Judges Retirement

Retired judges of the Southern Judicial Circuit are provided retirement, disability, and surviving-spouse benefits from funds of the counties within the circuit. The County is required to pay a supplement to the benefits provided by the state in the same proportion as the salary supplement paid by the County to active judges of the Superior Court of the Southern Judicial Circuit bears to the state paid salary of the active judges; provided, however, that no such supplement shall be paid unless the former, retired judge has contributed to a fund maintained by the County for the retirement benefits for retired judges according to the provisions of O.C.G.A. 47-9-77.

Note 12 – Deferred Compensation Plan

During 1999, the County, as required by federal law, amended the provision of its Internal Revenue Code 457 deferred compensation plan to place the plan's assets in trust for the benefit of plan participants. The County has no fiduciary responsibility for those assets once they are deposited with the plan administrators. Consequently, under the provisions of GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the assets of the plan are not included in the County's financial statements.

Note 13 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injury to employees; and natural disasters. The County purchases insurance from commercial insurers for claims in excess of deductibles. Policy deductibles are funded from and charged to operations during the period in which losses are incurred. Commercial insurance provides coverage up to a maximum of $3,000,000 aggregate general liability limit, and various limits up to an aggregate of $16,147,310 for property damage claims. Deductible limits range from $1,000 to $25,000 per occurrence.

The County is a participant in the Association County Commissioners of Georgia (ACCG) Group Self-Insurance Worker's Compensation Fund. The purpose of the fund is to insure the participating member's obligations under state workers compensation laws for employer liability to employees for claims for injuries and medical expenses and demands for compensation. The fund is responsible for cost incurred by members in any legal proceeding defended by the members, interest accruing after judgment, expenses incurred for investigation or defense, claim settlement, interest accruing after judgment, and expenses incurred for investigation or defense. Coverage provides up to a maximum of $100,000 for each worker's compensation claim.

Each participating member county is required to continue membership until completion of the second full fiscal year of membership. Membership is continued on a year-to-year basis. A member may withdraw or choose not to renew membership effective at the end of any fiscal year upon giving ninety days advance written notice to the association.

Members failing to pay required contributions, assessments, or other sums in such amounts and at time established by the association may, upon notice, be immediately suspended from membership and coverage shall immediately cease. Terminated members remain liable for assessments for any fiscal year in which they were members and have no rights to surplus or dividends. The capital contribution, if any, of a terminated member may be returned in whole, or in part, at the discretion of the board. Additional responsibilities and obligations of participating members include; allow attorneys designated by ACCG to investigate , litigate, and discuss settlement options for claims made against participating members, including assisting and participating in the defense and settlement of claims, and promptly report all incidents which could result in any claim. Each member is jointly and severally liable for all legal obligations of the association or funds and assessments may be imposed to meet financial deficiencies of the fund.

The County has not compiled a record of claims paid up to the applicable deductibles for the current or prior fiscal years. Management is not aware of any outstanding and unpaid claims as of June 30th. Accordingly, no provision has been made for potential unpaid claims.

Note 14 – Solid Waste Facility Post Closure Care

On April 8, 1994, the County, with permission of the Environmental Protection Division of the State of Georgia, ceased operations of the Quitman-Brooks County Solid Waster Facility. Federal and state laws and regulations require the County to place a final cover on the solid waste disposal site and perform certain maintenance and monitoring functions for five years from the date of closure and at five year intervals thereafter until released by the Environmental Protection Division.

The County has elected to comply with the financial assurance requirements by the Local Government Financial Test. This test requires the County to comply with applicable financial, public notice, and recordkeeping and reporting components as described in and administered in accordance with Subtitle D of the Resource Conservation and Recover Act (RCRA).

During the year ended June 30, 2011 the County incurred closure, post-closure care and remediation expenses in the amount of $182,795.

The County estimates post-closure care cost to approximately $987,000 over the remaining twelve years. These costs are based on what it would cost to perform all post-closure care in 2012, adjusted annually for inflation. Actual cost may be higher due to changes in inflation, technology or applicable laws or regulations. Should any problems occur during the post-closure period, the costs and time required for maintenance and monitoring post-closure care and any applicable remediation expenses will be financed by levies of the tax digest and reimbursements from the City of Quitman.

The County contracts the collecting, transporting, and disposing of waste.

Note 15 – Contingent Liabilities

The County receives various grants and other funding from the State of Georgia and related agencies. Some of these funds have spending restrictions and are subject to compliance audits.

Note 16 – Litigation

The County is a party to several threatened legal actions. Management does not believe any of the threatened actions will have an adverse financial impact. Management believes that insurance is adequate to protect the County from pending and threatened litigation for which an unfavorable outcome is probable.

Note 17 – Joint Venture (Regional Development Commission)

The County is a participating member of the South Georgia Regional Commission (SGRC), a governmental entity legislatively established by O.C.G.A. 58-8-34. The SGRC is comprised of the cities and counties within the ten County district created and established by the Act. The SGRC is managed by a board, which includes the chief elected official of the district's member city and county governments. The Act requires membership by the cities and counties within the district, dues to support operations, and responsibility for the debts, obligations, and operating deficits of the SGRC. Separate financial statements may be obtained from: South Georgia Regional Commission, 327 West Savannah Avenue, Valdosta, GA 31603.

Note 18 – Intergovernmental Agreement with the Brooks County Development Authority

On September 10, 2004 the County entered into an intergovernmental agreement with the Brooks County Development Authority whereby the County's will exercise the County's constitutional authority to levy and collect an advalorem tax in an amount not to exceed one-half mill per annum for period of fifteen years beginning January 1, 2005. The purpose of the levy is to develop an industrial park within the county and to repay institutional debt incurred to finance the purchase of two hundred fifty acres of real estate.

The terms of the agreement require the County to provide financial assurances to the Authority's lending institution whereby the County will caused to be levied one-half mill of tax to repay the Authority's debt to the lending institution for debt related to the purchase of real estate and cost to develop a new industrial park within the county. The authority is responsible for all costs to operate and maintain the project. Surplus funds after repayment of debt and the cost of developing the industrial park shall belong to the Authority.

Note 19 – Commitments and Contingencies

Brooks County Board of Education – Imposition of Additional Property Taxes to Insure Repayment of Principal and Interest on Series 2006 Brooks County School District General Obligation Bonds. In 2006 the Brooks County School District issued general obligation bonds in the amount of $8,100,000. In accordance with requirements of the Constitution of the State of Georgia, on or before the time of incurring bonded indebtedness, provision must be made for the assessment and collection of annual tax in an amount sufficient to pay the principal and interest. A referendum for the imposition of a one percent sales and use tax for education purposes (Education Sales Tax) was approved for a period of time not to exceed twenty consecutive calendar quarters (five years). Annual bond and interest payments average $1,170,000 for the eight years beginning October 1, 2006 through October 1, 2014 (eight and one-half years). Principal and interest payments to maturity will be $9,628,667. In any year Education SPLOST funds are not adequate to satisfy the annual bond obligation the County is required to levy an additional property tax in an amount necessary to pay the annual bond obligation. If voters do not authorize a continuation or renewal of the Education Special Purpose Local Sales Tax the County will be obligated to levy additional property taxes of approximately $1,181,000 per year or $3,543,558 for calendar years 2012 through 2014. Current estimates of the annual proceeds from the Education Special Purpose Local Option Sales Tax are adequate to satisfy the average annual bond obligation.

Brooks County, Georgia
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2011

Assets	Special Revenue Funds									Capital Projects	
	Law Library	Drug Seizure and Confiscated Property	Federal Seizure and Confiscated Property	Drug Abuse Treatment and Education	Victim Witness Assistance	Juvenile Deliquency and Crime Prevention	Family Connection Grant	Jail Construction and Staffing	911 Telephone System	Special Purpose LOST 2000 Issue	Total
Cash and Cash Equivalents	$ 36,705	$ 37	$ 3,015	$ (3,888)	$ 7,024	$ 18,182	$ 3,032	$ 105,657	$ 2,541	$ -	$ 172,305
Investments											-
Receivables											
Intergovernmental				49,824	20,358		14,509				84,691
Internal						7,981			5,718	-	13,699
Other									21,120		21,120
Restricted Assets											
Cash and Cash Equivalents											-
Prepaid Expenses											-
Total Assets	$ 36,705	$ 37	$ 3,015	$ 45,936	$ 27,382	$ 26,163	$ 17,541	$ 105,657	$ 29,379	$ -	$ 291,815
Liabilities and Fund Balance											
Liabilities											
Accounts Payable	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued Expenses				7,422	4,479				27,906		39,807
Payables											
Intergovernmental											-
Internal	300	926	-	37,583	22,704	-	17,740	5,730	-	-	84,983
Total Liabilities	300	926	-	45,005	27,183	-	17,740	5,730	27,906	-	124,790
Fund Balance											
Nonspendable										-	-
Restricted	36,405	-	3,015	931	199	26,163	-	99,927	1,473		168,113
Committed											-
Assigned											-
Unassigned		(889)			-	-	(199)		-	-	(1,088)
Total Fund Balance	36,405	(889)	3,015	931	199	26,163	(199)	99,927	1,473	-	167,025
Total Liabilities and Fund Balance	$ 36,705	$ 37	$ 3,015	$ 45,936	$ 27,382	$ 26,163	$ 17,541	$ 105,657	$ 29,379	$ -	$ 291,815

Brooks County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds
For the Year Ended June 30, 2011

Revenues	Special Revenue Funds									Capital Projects	
	Law Library	Drug Seizure and Confiscated Property	Federal Seizure and Confiscated Property	Drug Abuse Treatment and Education	Victim Witness Assistance	Juvenile Delinquency and Crime Prevention	Family Connection Grant	Jail Construction and Staffing	911 Telephone System	Special Purpose LOST 2000 Issue	Total
Intergovernmental	$ -	$ -	$ -	$ 74,386	$ 32,919	$ -	$ 43,750	$ -	$ -	$ -	$ 151,055
Charges for Services									94,886		94,886
Fines and Forfeitures	6,668	-		10,712	17,634			37,340			72,354
Investment	88	2	9	140	186			229	9	79	742
Other					408						408
Total Revenues	6,756	2	9	85,238	51,147	-	43,750	37,569	94,895	79	319,445
Expenditures											
Judicial											
Current	3,667										3,667
Capital											-
Public Safety											-
Current		2,217	4,119	103,338	63,342	9,539		7,469	409,508		599,532
Capital						-		1,800	39,143		40,943
Public Works											
Current											-
Capital										41,967	41,967
Health and Welfare											
Current							44,143				44,143
Total Expenditures	3,667	2,217	4,119	103,338	63,342	9,539	44,143	9,269	448,651	41,967	730,252
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,089	(2,215)	(4,110)	(18,100)	(12,195)	(9,539)	(393)	28,300	(353,756)	(41,888)	(410,807)
Other Financing Sources (Uses)											
Transfers				12,500	12,000			-	355,000	667	380,167
Total Other Financing Sources (Uses)	-	-	-	12,500	12,000	-	-	-	355,000	667	380,167
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,089	(2,215)	(4,110)	(5,600)	(195)	(9,539)	(393)	28,300	1,244	(41,221)	(30,640)
Fund Balance, Beginning of Period	33,316	1,326	7,125	6,531	394	35,702	194	71,627	229	41,221	197,665
Fund Balance, End of Period	$ 36,405	$ (889)	$ 3,015	$ 931	$ 199	$ 26,163	$ (199)	$ 99,927	$ 1,473	$ -	$ 167,025

Brooks County, Georgia
Agency Funds
Combining Statement of Assets and Liabilities
June 30, 2011

	Clerk of Court	Probate Court	Magistrate Court	Sheriff	Tax Commissioner	Total
Assets						
Cash	$ 110,563	$ -	$ 2	$ 57,243	$ 18,257	$ 186,065
Taxes					906,360	906,360
Intergovernmental					-	-
Interfund						-
Other	6,086			14,737	145	20,968
	$ 116,649	$ -	$ 2	$ 71,980	$ 924,762	$ 1,113,393
Liabilities						
Accounts Payable	$ 22,155	$ -	$ -	$ -	$ -	$ 22,155
Uncollected Taxes					906,360	906,360
Intergovernmental						-
Interfund					-	-
Other	94,494	-	2	71,980	18,402	184,878
	$ 116,649	$ -	$ 2	$ 71,980	$ 924,762	$ 1,113,393

Brooks County, Georgia
Combining Statement of Net Assets
Component Units
June 30, 2011

Assets	Brooks County Development Authority December 31, 2010	Brooks County Board of Health June 30, 2011	Combined
Current Assets			
Cash and Cash Equivalnets	$ 93,153	$ 186,903	$ 280,056
Investments	165,461		165,461
Receivables, net	508,936		508,936
Other	-		-
Total Current Assets	767,550	186,903	954,453
Non-Current Assets			
Cash and Cash Equivalents	31,162		31,162
Other Investments	4,909,178		4,909,178
Receivables	1,118,419		1,118,419
Unamortized Bond Cost	-		-
Total Non-Current Assets	6,058,759	-	6,058,759
Capital Assets			
Other Capital Assets, net of Depreciation	10,954	1,314	12,268
Total Assets	$ 6,837,263	$ 188,217	$ 7,025,480
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable and Accrued Expenses	$ 247,911	$ 29,147	$ 277,058
Mortgages Payable	158,156		158,156
Total Current Liabilities	406,067	29,147	435,214
Long-Term Liabilities			
Bonds and Mortgages Payable	1,514,117		1,514,117
Total Liabilities	1,920,184	29,147	1,949,331
Net Assets			
Invested in Capital Assets, net	10,954	1,314	12,268
Restricted	4,465,968	98,476	4,564,444
Unrestricted	440,157	59,280	499,437
Total Net Assets	4,917,079	159,070	5,076,149
Total Liabilities and Net Assets	$ 6,837,263	$ 188,217	$ 7,025,480

Brooks County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2011

Functions and Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Development Authority	Net (Expense) Revenue and Changes in Net Assets: Board of Health	Net (Expense) Revenue and Changes in Net Assets: Total
Brooks County Development Authority							
Operations	$ 214,419	$ 49,460	$ 150,000	$ 3,076,257	$ 3,061,298	$ -	$ 3,061,298
Brooks County Board of Health							
Health and Welfare	424,331	98,476	271,874	-		(53,981)	(53,981)
Total Component Units	$ 638,750	$ 147,936	$ 421,874	$ 3,076,257	3,061,298	(53,981)	3,007,317
General Revenues							
Taxes							
Property Taxes					179,382		179,382
Intergovernmental						-	-
Investment					5,115	-	5,115
Miscellaneous					249	-	249
Sale of Surplus Assets					7,500		7,500
Transfers					-	-	-
Total General Revenues and Transfers					192,246	-	192,246
Changes in Net Assets					3,253,544	(53,981)	3,199,563
Net Assets, Beginning of Period					1,663,535	213,051	1,876,586
Net Assets, End of Period					$ 4,917,079	$ 159,070	$ 5,076,149

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

To the Board of Commissioners
Brooks County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brooks County, Georgia as of and for the year ended June 30, 2011, which collectively comprise Brooks County, Georgia's basic financial statements and have issued our report there on dated January 18, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Brooks County Board of Health as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies..

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the schedule of findings and responses, as items 2011.01 and 2011.02, to be material weaknesses.

A *significant deficiency* is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses, item 2011.04 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Brooks County, Georgia's financial statements are free of material misstatement, we performed test 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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2011.03.

Brooks County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Brooks County, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the County, the State of Georgia, 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.



January 18, 2012

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Brooks County, Georgia

Compliance

We have audited Brooks County, Georgia's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget *(OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on Brooks County, Georgia's major federal program for the year ended June 30, 2011. Brooks County, Georgia's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Brooks County, Georgia's management. Our responsibility is to express an opinion on Brooks County, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Brooks County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Brooks County, Georgia's compliance with those requirements.

In our opinion, Brooks County, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Brooks County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Brooks County, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Brooks County, Georgia's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be a *material weakness*, as defined above.

We noted certain matters that we reported to the management of the Brooks County, Georgia in a separate letter dated January 18, 2012.

This report is intended for the information and use of the Board of Commissioners, management, others within the County, the State of Georgia, 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.



January 18, 2012

Brooks County, Georgia
Schedule of Findings and Responses
For the Year Ended June 30, 2011

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified			
Internal control over financial reporting				
Material weaknesses identified?	X	Yes		No
Significant deficiencies identified?	X	Yes		None Reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs: Material weaknesses identified?		Yes	X	No
Reportable conditions identified not considered to be material weaknesses?		Yes	X	None Reported
Type of auditor's report issued on compliance for major programs	Unqualified			
Any audit findings disclosed that are required to be Reported in accordance with OMB Circular A-133, Section 510(a)?		Yes	X	No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.205	U. S. Department of Transportation Highway Planning and Construction
81.128	U. S. Department of Energy Energy Efficiency and Conservation Block Grant

Dollar Threshold used to distinguish between Type A and Type B programs:	$ 300,000			
Auditee qualified as low risk auditee?		Yes	X	No

Section II - Financial Statement Findings and Responses

Current Year Findings

2011.01 Absence of Optimum Level of Appropriate Segregation of Duties

(This is a repeat finding)

Requirement: A properly designed and effective system of internal control requires that there are a sufficient number of properly trained, skilled personnel to be able to segregate duties and responsibilities among personnel so that individuals initiating, processing, verifying, reviewing, approving, recording or processing financial transactions, and preparing financial statements are not being performed by the same individual.

Condition: The County does not have sufficient personnel to provide an optimum level of appropriate segregation of duties and responsibilities.

Effect: Errors, intentional or otherwise, and fraud could occur in the processing of financial transactions and the preparation of financial statements.

Recommendation: Staffing should include a sufficient number of properly trained personnel in order to assign duties and responsibilities among the staff in order to reduce to a minimum level of risk that misstatements resulting from fraud or error might occur and not be detected by employees during the normal course of performing assigned duties.

County Response: The County acknowledges this weakness in internal control structure and the adverse consequences which could result. However, the County's finances and budgetary limitations within which the County must operate does not provide sufficient available financial resources to employ the additional personnel necessary to assign and segregate the various duties and responsibilities among the administrative staff to accomplish this objective.

In the administration office there are only three staff positions, including the County Clerk. Except in the offices of the Tax Commissioner and Clerk of Court, there is only one clerk. To mitigate this weakness in the County's administrative office we separate the duties and responsibilities related to the processing of purchase orders, payables, and the payment of invoices from payroll data entry and check processing and the collection of revenues and the depositing of receipts. We rotate persons picking-up and opening mail. Bank statements are received unopened by the County Administrator. Account reconciliations are the responsibility of the County Administrator. The payroll account is reconciled by the payables clerk. The payables processing account is reconciled by the County Administrator. The County Clerk reconciles and balances all special revenue and capital projects accounts. Payable checks are mailed by the payroll clerk. Payroll checks are hand delivered or picked-up by department administrators for physical delivery to employees within their departments. Payroll checks, when mailed, are mailed by the payables clerk. Purchase orders and vendor invoices are made available to check signers when signing checks. All checks, other than payroll, require two check signors. Authorized check signors are the Chairperson and Vice-Chairperson of the Board of Commissioners, the County Administrator, and the County Clerk. The County Clerk only signs checks when two of the other three authorized persons are not available.

The County Administrator is responsible for the processing and preparation of monthly financial statements for all governmental and capital project funds. The monthly statements which include historical comparisons with budgeted appropriations are provided to the Board of Commissioners.

This finding will be communicated to the effected constitutional officials that they are responsible for the monitoring, supervision, and control over all accounting activities and financial reporting for their office and that they should comply with applicable state laws and county policies and procedures.

The County believes that reasonable management safeguards are in place based on available personnel and resources.

2011.02 Anti-Fraud Program and Controls

(This is a repeat finding)

Requirement: Policies to prevent and procedures to identify and detect financial statement misstatements caused by error or fraud and misappropriation of assets are required to prevent and minimize the risk of material misstatements in the financial statements and the inappropriate use or loss of assets. The policies and procedures should be in writing, formally adopted by the Board of Commissioners, communicated to the entire organization, monitored by management, and strictly enforced.

Condition: The County has not adopted anti-fraud policies and procedures.

Effect: Errors, including fraud, may occur and not be detected and assets could be lost or damaged and not be recovered resulting in significant economic loss.

Recommendation: The Board of Commissioners should formally adopt written policies and procedures to prevent, detect and prosecute fraud. The policies and procedures should be communicated to each and every employee, including all constitutional officers. Employees and constitutional officers should acknowledge receipt and understanding of the policies. The policies and procedures should be incorporated in the County's Personnel Policy Manual. Violations should be justification for termination of employment and basis for prosecution.

County Response: The County is aware of the need to establish policies to prevent and appropriate procedures to identify and detect financial statement errors or misstatements and misappropriation or loss of assets. A draft resolution has been prepared and is in the processing of being formally adopted by the Board of Commissioners. Management believes that the resolution will be finalized during the current year and during the adopting of revisions planned for the County's Personnel Policies and Purchasing Policy.

2011.03 Budgetary - Financial Compliance

(This is a modified repeat finding)

Specific Requirement: O.C.G.A. 36-81-3(b)(1) requires each unit of local government to adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund. O.C.G.A. 36-81-3(b)(2) requires a project-length balanced budget for each capital project fund with the project-length balanced budget being adopted by ordinance or resolution in the year that the project initially begins. The project-length balanced budget should appropriate total expenditures for the duration of the capital project. O.C.G.A. 36-81-3(b)(3) provides that a budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances is equal to appropriations.

Conditions: Expenditures exceeded appropriations in fourteen General Fund departments and three special revenue funds – Drug Abuse Treatment and Education, Federal Seizure and Confiscated Property, and the Family Connection Grant. Two special revenue funds – Drug Seizure and Confiscated Property and the Family Connection Grant have deficit fund balances.

Effect: The County is not in compliance with state laws and the County's Finance Ordinance by incurring expenditures in excess of budgeted appropriations.

Recommendation: Expenditures should be controlled within appropriations and budgets should be adopted for all governmental fund types.

County Response: Line item expenditures will be more closely monitored and regularly compared with budgeted appropriations.

2011.04 Preparation of Annual Financial Statements

(This is a repeat finding)

Specific Requirement: Generally accepted auditing standards require auditors to audit client prepared annual financial statements including the related notes to financial statements and all required supplemental information, statements, and schedules.

Condition: The County's annual financial statements, supplementary information, and schedules required by state statute or regulators, and grantors are auditor prepared.

Effect: The County's auditor audits the auditor prepared financial statements.

Recommendation: The County should prepare the annual financial statements, notes to basic financial statements, supplementary information, and financial schedules required by state statutes or regulators, and grantors.

Response: The County does not have professional staff with the training and expertise to prepare the annual audited financial statements. The Board of Commissioners has considered alternatives for the preparation of the audited statements including contracting the services of a consultant. The Board believes that having the auditors prepare the statements is the only economically feasible option for the county. The Board and management formally reviews and accepts responsibility for the financial statements and all related disclosures.

Prior Year Findings

2010.01 Absence of Optimum Level of Appropriate Segregation of Duties

Requirement: A properly designed and effective system of internal control requires that there are a sufficient number of properly trained, skilled personnel to be able to segregate duties and responsibilities among personnel so that individuals initiating, processing, verifying, reviewing, approving, recording or processing financial transactions, and preparing financial statements are not being performed by the same individual.

Condition: The County does not have sufficient personnel to provide an optimum level of appropriate segregation of duties and responsibilities.

Effect: Errors, intentional or otherwise, and fraud could occur in the processing of financial transactions and the preparation of financial statements.

Recommendation: Staffing should include a sufficient number of properly trained personnel in order to assign duties and responsibilities among the staff in order to reduce to a minimum level of risk that misstatements resulting from fraud or error might occur and not be detected by employees during the normal course of performing assigned duties.

County Response: The County acknowledges this weakness in internal control structure and the adverse consequences which could result. However, the County's finances and budgetary limitations within which the County must operate does not provide sufficient available financial resources to employ the additional personnel necessary to assign and segregate the various duties and responsibilities among the administrative staff to accomplish this objective.

In the administration office there are only three staff positions, including the County Clerk. Except in the offices of the Tax Commissioner and Clerk of Court, there is only one clerk. To mitigate this weakness in the County's administrative office we separate the duties and responsibilities related to the processing of purchase orders, payables, and the payment of invoices from payroll data entry and check processing and the collection of revenues and the depositing of receipts. We rotate persons picking-up and opening mail. Bank statements are received unopened by the County Administrator. Account reconciliations are the responsibility of the County Administrator. The payroll account is reconciled by the payables clerk. The payables processing account is reconciled by the County Administrator. The County Clerk reconciles and balances all special revenue and capital projects accounts. Payable checks are mailed by the payroll clerk. Payroll checks are hand delivered or picked-up by department administrators for physical delivery to employees within their departments. Payroll checks, when mailed, are mailed by the payables clerk. Purchase orders and vendor invoices are made available to check signers when signing checks. All checks, other than payroll, require two check signors. Authorized check signors are the Chairperson and Vice-Chairperson of the Board of Commissioners, the County Administrator, and the County Clerk. The County Clerk only signs checks when two of the other three authorized persons are not available.

The County Administrator is responsible for the processing and preparation of monthly financial statements for all governmental and capital project funds. The monthly statements which include historical comparisons with budgeted appropriations are provided to the Board of Commissioners.

This finding will be communicated to the effected constitutional officials that they are responsible for the monitoring, supervision, and control over all accounting activities and financial reporting for their office and that they should comply with applicable state laws and county policies and procedures.

The County believes that reasonable management safeguards are in place based on available personnel and resources.

Current Status: There is no change in this condition.

2010.02 Anti-Fraud Program and Controls

Requirement: Policies to prevent and procedures to identify and detect financial statement misstatements caused by error or fraud and misappropriation of assets are required to prevent and minimize the risk of material misstatements in the financial statements and the inappropriate use or loss of assets. The policies and procedures should be in writing, formally adopted by the Board of Commissioners, communicated to the entire organization, monitored by management, and strictly enforced.

Condition: The County has not adopted anti-fraud policies and procedures.

Effect: Errors, including fraud, may occur and not be detected and assets could be lost or damaged and not be recovered resulting in significant economic loss.

Recommendation: The Board of Commissioners should formally adopt written policies and procedures to prevent, detect and prosecute fraud. The policies and procedures should be communicated to each and every employee, including all constitutional officers. Employees and constitutional officers should acknowledge receipt and understanding of the policies. The policies and procedures should be incorporated in the County's Personnel Policy Manual. Violations should be justification for termination of employment and basis for prosecution.

County Response: The County is aware of the need to establish policies to prevent and appropriate procedures to identify and detect financial statement errors or misstatements and misappropriation or loss of assets. Our former administrator, prior to her resignation in November, was in the process of addressing this matter with the intent of having the necessary policies and procedures in effect by the end of this year. Our current administrator, who was employed in February, has not had the opportunity to devote the necessary time and attention to completing this project. The County plans to adopt appropriate anti-fraud policies and implement procedures to identify and detect reporting irregularities, financial statement errors and misrepresentations, and the misappropriation or loss of assets during the year to end June 30, 2011.

Current Status: There is no change in this condition.

2010.03 Budgetary - Financial Compliance

Specific Requirement: O.C.G.A. 36-81-3(b)(1) requires each unit of local government to adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund. O.C.G.A. 36-81-3(b)(2) requires a project-length balanced budget for each capital project fund with the project-length balanced budget being adopted by ordinance or resolution in the year that the project initially begins. The project-length balanced budget should appropriate total expenditures for the duration of the capital project. O.C.G.A. 36-81-3(b)(3) provides that a budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances is equal to appropriations.

Conditions: Expenditures exceeded appropriations in nine departments in the General Fund.

Effect: The County is not in compliance with state laws and the County's Finance Ordinance by incurring expenditures in excess of budgeted appropriations.

Recommendation: Expenditures should be controlled within appropriations and budgets should be adopted for all governmental fund types.

County Response: Line item expenditures will be more closely monitored and regularly compared with budgeted appropriations.

Current Status: The County continues to have departments and funds with expenditures in excess of appropriations and funds with deficit fund balances.

2010.04 Preparation of Annual Financial Statements

Specific Requirement: Generally accepted auditing standards require auditors to audit client prepared annual financial statements including the related notes to financial statements and all required supplemental information, statements, and schedules.

Condition: The County's annual financial statements, supplementary information, and schedules required by state statute or regulators, and grantors are auditor prepared.

Effect: The County's auditor audits the auditor prepared financial statements.

Recommendation: The County should prepare the annual financial statements, notes to basic financial statements, supplementary information, and financial schedules required by state statutes or regulators, and grantors.

Response: The County does not have professional staff with the training and expertise to prepare the annual audited financial statements. The Board of Commissioners has considered alternatives for the preparation of the audited statements including contracting the services of a consultant. The Board believes that having the auditors prepare the statements is the only economically feasible option for the county. The Board and management formally reviews and accepts responsibility for the financial statements and all related disclosures.

Current Status: There is no change in this condition.

Section III - Federal Awards Findings and Responses

Current Year Findings

None

Prior Year Findings

None

Brooks County, Georgia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Program or Award Amount	Expenditures
U.S. Department of Transportation				
Georgia Department of Transportation				
Formula Grant for Other Than Urbanized Areas -**ARRA**	20.509	GA-18-4031	$ 4,744	$ 16,614
Highway Planning & Construction	20.205	C38665-10-000	107,154	152,990
Highway Planning & Construction	20.205	C38666-10-000	263,539	368,031
			370,693	521,021
Total Department of Transportation			375,437	537,635
U. S. Department of Homeland Security				
Georgia Emergency Management Agency				
Emergency Management Performance Grant	97.042	10-014S01	5,000	5,000
Emergency Management Performance Grant	97.042	10-014E01	37,500	50,000
			42,500	55,000
Hazard Mitigation Grant Program	97.039	FEMA-1858-DR	18,000	
Total Department of Homeland Security			60,500	55,000
U. S. Department of Energy				
Georgia Environmental Finance Authority				
Energy Efficiency & Conservation Block Grant -**ARRA**	81.128		139,187	149,311
Total Department of Energy			139,187	149,311
U. S. Department of Health & Human Services				
Georgia Department of Health & Human Services				
Special Program for the Aging - Nutrition	93.045	AAA-2010-20	27,400	47,085
Total Department of Health & Human Services			27,400	47,085
U. S. Department of Justice				
Juvenille Justice and Delinquency Prevention				
After School Program for At Risk Children	16.804	2008-JL-FX-0537	44,717	9,539
Edward Byrne Memorial Justice Assistance Grant				
DUI and Drug Reduction Initiative -**ARRA**	16.804	2009-SB-B9-1218	42,367	5,605
Edward Byrne Memorial Justice Assistance Grant				
Child Abuse Investigation Enhancement Project	16.804	2009-DJ-BX-1255	10,327	-
Edward Byrne Memorial Justice Assistance Grant				
Fy 2010 Justice Assistance Grant Program	16.804	2010-DJ-BX-1627	10,013	-
			107,424	15,144
Criminal Justice Coordinating Council				
Victims of Crime Act Assistance Grant Program	16.575	C09-08-174	30,070	38,367
2010 Project Safe Neighborhood	16.609	2010-GP-BX-0082	9,000	7,500
Total Department of Justice			146,494	61,011
Total Federal Assistance			$ 749,018	$ 850,042

Revenues/receipts and expenses/expenditures are presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, amounts in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Brooks County, Georgia
Schedule of State Financial Assistance
For the Year Ended June 30, 2011

Program	Grant Number	Award Amount	Revenue or Receipts Recognized	Expenses or Expenditures
State of Georgia				
Criminal Justice Coordinating Council				
Judicial Council of Georgia				
Juvenile Judge Grant	O.C.G.A. 15-11-18	$ 25,425	$ 25,425	$ 26,089
Total Criminal Justice Coordinating Council		25,425	25,425	26,089
Georgia Department of Human Services				
Family Connection Grant	427-93-11110111-99	42,250	42,250	42,643
Total Department of Human Resources		42,250	42,250	42,643
Total State of Georgia		$ 67,675	$ 67,675	$ 68,732

Brooks County, Georgia
One Percent Special Purpose Local Option Sales Tax
Project Cost Schedule - 2000 Issue
For the Twelve Months Ended June 30, 2011

	Estimated Cost		Prior	Current	Cumulative	Percent
	Original	Current	Periods	Period	Cost	Complete
Road, Street and Bridge Projects						
Miscellaneous Roads	$ 1,974,702	$ -	$ -	$ -	$ -	
CR 269 Dry Lake Road		326,444	288,976	-	288,976	100.0%
CR 272 Barwick Road		135,722	137,175	-	137,175	100.0%
CR 1 Jackson Road		653,775	666,229	-	666,229	100.0%
CR 15 Patrick Road		151,576	154,308	-	154,308	100.0%
CR 276 Troupville Road		340,000	341,963	-	341,963	100.0%
CR 195 Winter Road Resurfacing		44,000	44,508	-	44,508	100.0%
CR 122 Carney Road Widen/Resurface		30,000	33,587	-	33,587	100.0%
CR 275 Grooverville Widen		360,000	368,741	-	368,741	100.0%
CR 275 Grooverville Resurfacing		-	71	-	71	0.0%
CR 48 BCT Gin Road Extension and Resurface		100,000	99,119	-	99,119	100.0%
Hiers Road & Hassell Road+B16		339,000	339,497	-	339,497	100.0%
CR 334 Antler Court		10,000	10,977	-	10,977	100.0%
Snow/Hickory Head Intersection-Drainage		-	1,895	-	1,895	0.0%
CR 209 Cooper Road		42,000		41,967	41,967	100.0%
Miscellaneous			8,900	-	8,900	0.0%
Other Projects						
Detention Facility	1,000,000	1,100,000	3,672,456	-	3,672,456	100.0%
Armory Renovation	75,000	75,000	75,230	-	75,230	100.0%
Intergovernmental Shared Revenues						
City of Quitman			927,330	-	927,330	100.0%
City of Barwick			25,020	-	25,020	100.0%
City of Morven			48,765	-	48,765	100.0%
City of Pavo			29,400	-	29,400	100.0%
Totals	$ 3,049,702	$ 3,707,517	$ 7,274,149	$ 41,967	$ 7,316,116	

Brooks County, Georgia
One Percent Special Purpose Local Option Sales Tax
Project Cost Schedule - 2004 Issue
For the Twelve Months Ended June 30, 2011

	Estimated Cost		Prior	Current	Cumulative	Percent
	Original	Current	Periods	Period	Cost	Complete
Road, Street and Bridge Projects						
Undesignated	$ 2,367,097	$ -	$ -	$ -	$ -	
CR 268 Empress Rd - Resurface		375,000	362,256	-	362,256	100.0%
CR 280 Lawson Pond Rd - Resurface		156,000	159,223	-	159,223	100.0%
Shady Acres II - Paving		120,000	118,689	-	118,689	100.0%
CR 184 Shiver Lane - Drain & Extension		100,000	3,923	-	3,923	100.0%
CR 300 River Lane - Paving		142,000	6,818	-	6,818	100.0%
CR 299 River Run Road - Paving		300,000	6,065	-	6,065	100.0%
CR 275 Grooverville Resurfacing		525,000	533,524	-	533,524	100.0%
CR 122 Carney Road		-	766	-	766	100.0%
CR 176 Guess Road Ph II		-	12,332	-	12,332	100.0%
CR 265 Blease Road		128,470	39,011	-	39,011	30.0%
CR 256, 257, 258 Pine Ridge Heights		353,000	526,148	-	526,148	100.0%
CR 305 Dixie Road Bridge		54,000	27,394	-	27,394	50.0%
CR 305 Dixie Road/Pride Bridge		280,000	143,991	18,317	162,308	58.0%
CR 185 Hassell Road		52,000	51,558	-	51,558	100.0%
CR 63 Dewberry Road		120,000	62,085	-	62,085	100.0%
Snow & Hickory Head (Paving/Drainage)		240,000	239,958	-	239,958	100.0%
Kennedy Hill Road Improvement		170,000	140,558	133,143	273,701	100.0%
CR 209 Cooper Road		112,868		111,023	111,023	100.0%
CR 122 Johnson Short		370,860		368,031	368,031	100.0%
Fawn Heights				1,963	1,963	0.0%
Other Miscellaneous			3,189	-	3,189	100.0%
Other Projects						
Detention Facility	1,600,000	1,600,000	1,927,529	-	1,927,529	100.0%
Courthouse Renovation	150,000	150,000	171,675	-	171,675	100.0%
Intergovernmental Shared Revenues						
City of Quitman	1,198,857	1,198,857	1,315,519	-	1,315,519	100.0%
City of Barwick	32,371	32,371	35,521	-	35,521	100.0%
City of Morven	63,042	63,042	69,177	-	69,177	100.0%
City of Pavo	37,984	37,984	41,681	-	41,681	100.0%
Totals	$ 5,449,351	$ 6,681,452	$ 5,998,589	$ 632,477	$ 6,631,066	

Brooks County, Georgia
One Percent Special Purpose Local Option Sales Tax
Project Cost Schedule - 2008 Issue
For the Twelve Months Ended June 30, 2011

	Estimated Cost		Prior	Current	Cumulative	Percent
	Original	Current	Periods	Period	Cost	Complete
Road, Street and Bridge Projects						
Undesignated	$ 2,926,309	$ -	$ 110	$ -	$ 110	0.0%
CR 174 Campground Road		64,690		43,326	43,326	67.0%
Other Projects						
Courthouse Renovations	150,000	-	-	-	-	0.0%
Emergency E-911 Services	450,000	-	-	67,695	67,695	15.0%
Public Safety Equipment for Coalition Fire Departments	500,000	-	130,407	10,185	140,592	28.1%
Parking Lot Resurfacing for County Administration Building	40,000	-	-	-	-	0.0%
New Fields and Walking Tract for Recreation Department	50,000	-	-	-	-	0.0%
Economic Development						
Brooks County Industrial Authority	1,040,080	-	761,731	278,269	1,040,000	100.0%
Quitman-Brooks County Airport Authority	165,611	-	70,000	40,184	110,184	66.5%
Intergovernmental Shared Revenues						
City of Quitman	2,898,000	153,340	528,100	362,455	890,555	30.7%
City of Barwick	140,000	7,408	25,513	17,511	43,024	30.7%
City of Morven	140,000	7,408	25,513	17,511	43,024	30.7%
City of Pavo	140,000	7,408	25,513	17,511	43,024	30.7%
Totals	$ 8,640,000	$ 240,254	$ 1,566,887	$ 854,647	$ 2,421,534	

Brooks County, Georgia
Family Connection Grant
Schedule of Revenues and Expenditures - Budget and Actual
Contract Number 427-93-10100347-99
For the Year Ended June 30, 2011

	Budget	Actual
Revenues		
Intergovernmental	$ 43,750	$ 43,750
	43,750	43,750
Expenditures		
Programs and Activities	4,727	6,331
Contract Services	33,600	33,600
Communications	-	-
Maintenance and Repairs	325	478
Insurance	375	390
Supplies	1,500	776
Travel	223	223
Education and Training	500	-
Equipment Rental	2,500	2,345
	43,750	44,143
Excess (Deficiency) of Revenues over Expenditures	$ -	$ (393)

Brooks County, Georgia
Program for the Aging - Nutrition Program Grant
Schedule of Revenues and Expenditures - Budget and Actual
Grant Award Number AAA-2010-20
For the Year Ended June 30, 2011

	Budget	Actual
Revenues		
Intergovernmental	$ 27,400	$ 27,400
Total Revenues	27,400	27,400
Expenditures		
Salary and Wages	28,355	23,121
Taxes and Benefits	3,097	2,136
	31,452	25,257
Other Technical	-	-
Communications	1,140	988
Supplies and Other	14,100	20,602
Travel	200	238
Capital	-	
Total Expenditures	46,892	47,085
Excess (Deficiency) of Revenues over Expenditures	$ (19,492)	$ (19,685)

Brooks County, Georgia
Juvenile Delinquency and Crime Prevention
Schedule of Revenues and Expenditures - Budget and Actual
Contract Number 2008-JL-FX-0537
For the Year Ended June 30, 2011

		Actual		
	Budget	Prior	Current	Total
Revenues				
Intergovernmental	$ 44,717	$ 44,717	$ -	$ 44,717
	44,717	44,717	-	44,717
Expenditures				
Programs and Activities	12,139	1,408	393	1,801
Contract Services	-	-	-	-
Communications	961	480	481	961
Insurance	-	-	-	-
Supplies	19,392	986	7,136	8,122
Travel	4,630	120	-	120
Education and Training	2,495	967	1,528	2,495
Capital	5,100	5,054	-	5,054
	44,717	9,015	9,538	18,553
Excess (Deficiency) of Revenues over Expenditures	$ -	$ 35,702	$ (9,538)	$ 26,164