O/C

CHARLTON COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010

Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia

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Charlton County, Georgia
Financial Statements
For the Year Ended December 31, 2010

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Introductory Section

CHARLTON COUNTY OFFICIALS

CHAIRMAN
Jessie Smith

Vice Chairman
Dallas Huling

COMMISSIONERS
James E. Everett
Ronnie Pollock
Mitchell Crawford

COUNTY ADMINISTRATOR
Steve Nance

COUNTY CLERK
Jenifer Nobles

DEPUTY COUNTY CLERK
Melisa Phillips

CONSTITUTIONAL OFFICERS
Clerk of Court - Kay Carter
Probate Judge - Robert Phillips
Sheriff - Ernest Conner
Tax Commissioner - Debra Mizell
Magistrate - Billy Sands

NON-CONSTITUTIONAL OFFICER
County Attorney - Edmund Skorupski
CPA - Don Crews

DEPARTMENT HEADS
Public Works & Recreation Director - Richard Brown
Road Superintendent - Jeb Knowles

FINANCIAL SECTION

The financial section includes the independent auditor's report on the financial statement audit, the MD&A which provides a narrative introduction, overview and analysis of the financial statements, the basic financial statements including notes.

Independent Auditor's Report

Earl A. Lawson CERTIFIED PUBLIC ACCOUNTANT

112 N. CENTRAL AVENUE
BLACKSHEAR, GA 31516
TELEPHONE: 912-449-5485
FAX: 912-449-1529

INDEPENDENT AUDITOR'S REPORT

County Commissioners
Charlton County, Georgia

I have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Charlton County,Georgia, as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Charlton County, Georgia's management. My responsibility is to express opinions on theses financial statements based on my audit. I did not audit the financial statements of the Charlton County Health Department. Those financial statements were audited by other auditors whose report thereon has been furnished to me and my opinion insofar as it relates to the amounts included for the Charlton County Health Department, is based on the report of the other auditors.

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

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Charlton County, Georgia, as of December 31, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 8, 2011, on my consideration of the Charlton County, Georgia internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

MEMBER:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

The management's discussion and analysis and budgetary comparison information on pages 11 through 19 and 72 through 74, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Charlton County, Georgia, basic financial statements, the combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purpose of additional analysis as required by 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 basic financial statements of Charlton County, Georgia. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Earl A. Lawson, CPA
Blackshear, Georgia
June 8, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the basic financial statements prepared by the County.

Management's Discussion and Analysis

Within this section of Charlton County, Georgia (County) annual financial report, the County's management provides narrative discussion and analysis of the financial activities of the County for the year ended December 31, 2010. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the County's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

FINANCIAL HIGHLIGHTS

The County's total assets exceeded its total liabilities by $14,627,699 (net assets) for the year reported. This compares to the previous year when the total assets exceeded the total liabilities by $14,180,871.

Total net assets are comprised of the following:

1. Capital assets, net of related debt, of $7,704,140 include property and equipment, net of accumulated depreciation, and reduced by outstanding debt related to the purchase and construction of capital assets.
2. Net assets of $4,949,875 are restricted by constraints imposed upon the County by laws and regulations.
3. Unrestricted net assets of $1,973,684 represent the portion available to maintain the County's continuing obligations to citizens and creditors.

The County's governmental funds reported total ending fund balance of $6,606,317 this year. This compares compares to the prior year ending fund balance, of $7,386,377 showing an decrease of $780,060 during the current year.

At the end of the current year, unreserved fund balance for the General Fund was $2,487,206, or 27.5% of total General Fund expenditures.

Overall, Charlton County, Georgia, continues to maintain a strong financial position, in spite of a somewhat depressed economy.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities on pages 21 - 22 provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 23. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Overview to the Financial Statements

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

Government-wide Financial Statements

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

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

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

Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and community development. The County's fiduciary activities simply holds resources temporarily for others and are not included in the government-wide statements since these assets are not available to fund County programs.

The County's financial reporting includes the funds of the County (primary government) and, additionally, organizations for which the County is accountable (component units). These component units operate independently and provide services directly to the citizens, though the County remains accountable for their activities. These component units are governed by a board of directors that the County Commission has appointed. The County Health Department, are reported separately from the primary government though included in the County's overall reporting entity.

The Government-wide financial statements are presented on pages 21 - 22 of this report.

Fund Financial Statements

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

The County has two kinds of funds:

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

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

Budgetary comparison statements are included in the required supplementary information for the general fund. Budgetary comparison schedules for special revenue funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the County's adopted and final revised budget.

Fiduciary funds (i.e., the agency funds) are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund County programs. Fiduciary fund financial statements report similarly to proprietary funds.

The basic fiduciary fund financial statement is presented on page 29 of this report.

Notes to the basic financial statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are on pages 31 - 69 of this report.

Other information

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report on pages 79 - 89.

Financial Analysis of the County as a Whole

The County's combined net assets were $14,627,699 of December 31, 2010. This is a $446,828 increase from last year's nets assets of $14,180,871.. The following table provides a a summary of the County's net assets:

Summary of Net Assets

	Governmental Activities		Total		Percentage of Total	
Assets:	2010	2009	2010	2009	2010	2009
Current and other assets	$ 6,999,064	$ 7,783,347	$ 6,999,064	$ 7,783,347	40.76%	45.90%
Capital assets	10,171,362	9,174,292	10,171,362	9,174,292	59.24%	54.10%
Total assets	17,170,426	16,957,639	17,170,426	16,957,639	100.00%	100.00%
Liabilities:						
Current liabilities	942,834	798,053	942,834	798,053	37.08%	28.74%
Long-term liabilities	1,599,893	1,978,715	1,599,893	1,978,715	62.92%	71.26%
Total liabilities	2,542,727	2,776,768	2,542,727	2,776,768	100.00%	100.00%
Net assets:						
Invested in capital assets net of debt	7,704,140	6,528,405	7,704,140	6,528,405	52.67%	46.04%
Restricted	4,949,875	4,949,875	4,949,875	4,949,875	33.84%	34.91%
Unrestricted (deficit)	1,973,684	2,702,591	1,973,684	2,702,591	13.49%	19.06%
Total net assets	$ 14,627,699	$ 14,180,871	$ 14,627,699	$ 14,180,871	100%	100.00%

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 7.4 to 1. This ratio is strong.

Note that approximately 52.67% of the governmental activities' net assets are tied up in capital (with 16.25% of the capital assets being infrastructure). The County uses these capital assets to provide services to its citizens.

The County reported positive balances in net assets for governmental activities. Net assets decreased $1,951,541 for governmental activities.

Summary of Statement of Activities

	Governmental Activities		Total		Percentage of Total	
Revenues:	2010	2009	2010	2009	2010	2009
Program Revenues						
Charges for services	$ 3,428,053	$ 6,902,858	$ 3,428,053	$ 6,902,858	33.65%	53.50%
Operating grants	-	232,455	-	232,455	0.00%	1.80%
Capital grants	995,915	76,248	995,915	76,248	9.78%	0.59%
General Revenues						
Property taxes	3,884,456	3,264,673	3,884,456	3,264,673	38.13%	25.30%
Other taxes	1,635,904	2,146,330	1,635,904	2,146,330	16.06%	16.64%
Grants and entitlements	-	-	-	-	0.00%	0.00%
Other Revenues	243,914	278,926	243,914	278,926	2.39%	2.16%
Total Revenues	$ 10,188,242	$ 12,901,490	$ 10,188,242	$ 12,901,490	100%	100%
Expenses						
General government	1,119,191	1,183,556	1,119,191	1,183,556	11.49%	7.97%
Judicial	832,979	858,424	832,979	858,424	8.55%	5.78%
Public safety	2,907,003	7,668,051	2,907,003	7,668,051	29.84%	51.63%
Public works	2,859,917	2,872,257	2,859,917	2,872,257	29.36%	19.34%
Health and welfare	1,654,340	1,627,308	1,654,340	1,627,308	16.98%	10.96%
Culture and recreation	259,577	420,414	259,577	420,414	2.66%	2.83%
Community development	45,169	132,435	45,169	132,435	0.46%	0.89%
Interest	63,238	90,586	63,238	90,586	0.65%	0.61%
Total expense	9,741,414	14,853,031	9,741,414	14,853,031	100%	100%
Excess (deficiency)	446,828	(1,951,541)	446,828	(1,951,541)		
Gain on sale of capital assets	-	-	-	-		
Change in net assets	446,828	(1,951,541)	446,828	(1,951,541)		
Beginning net assets	14,180,871	16,132,412	14,180,871	16,132,412		
Ending net assets	$ 14,627,699	$ 14,180,871	$ 14,627,699	$ 14,180,871		

Financial Analysis of the County's Funds

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The governmental funds reported ending fund balances of $6,606,317 of this year-end total, $2,487,206 is unreserved indicating availability for continuing County service requirements.

General Fund Budgetary Highlights

The original budget adopted anticipated a $0.00 increase in its fund balance. The budget was subsequently revised to reflect a increase in its fund balance of $0.00. The actual fund balance decrease was $780,060, reflecting a negative variance.

Capital Asset and Debt Administration

Capital assets

The County's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2010, was $10,171,362

	Capital Assets (Net of Accumulated Depreciation)					
	Governmental Activities		Total		Percentage of Total	
	2009	2009	2010	2009	2010	2009
Non-depreciable assets:						
Land	$ 550,000	$ 550,000	$ 550,000	$ 550,000	100.00%	100.00%
Construction in progress	-	-	-	-	0.00%	0.00%
Total non-depreciable	550,000	550,000	550,000	550,000	100.00%	100.00%
Depreciable assets:						
Buildings	4,945,267	3,618,156	4,945,267	3,618,156	31.83%	26.17%
Machinery and equipment	7,542,105	7,162,443	7,542,105	7,162,443	48.55%	51.80%
Infrastructure	3,047,302	3,047,302	3,047,302	844,545	18.95%	21.19%
Total depreciable assets	15,534,674	13,827,901	15,534,674	11,625,144	99.33%	99.1570%
Total Capital Assets	16,084,674	14,377,901	16,084,674	12,175,144		
Less accumulated depreciation	(5,913,312)	(5,203,609)	(5,913,312)	(5,203,609)		
Book value - depreciable assets	10,171,362	$ 9,174,292	$ 10,171,362	$ 6,971,535		

See Note 3-D for addition information about the County's capital assets on page 48.

Long-term debt

At the end of the year, the County had total debt outstanding of $748,104. This total amount is supported by pledged revenues generated primarily by the County's Governmental Activities, and real and personal property.
The County's other long-term debt relates to capital leases and compensated absences.

	Outstanding Debt					
	Governmental Activities		Total		Percentage of Total	
	2010	2009	2010	2009	2010	2009
Notes outstanding	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	80.66%	75.26%
Capital leases	467,222	645,887	467,222	645,887	18.84%	24.31%
Compensated absences	12,288	11,493	12,288	11,493	0.50%	0.43%
Total	$ 2,479,510	$ 2,657,380	$ 2,479,510	$ 2,657,380	100.00%	100.00%

See Note 3-G for additional information about the county's long-term debt on pages 53 -59.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Sales taxes revenues decreased in 2010 and sales tax revenues during the first five months of 2011 has decreased slightly over the same five months of 2010.

Charlton County will continue to update its capital assets during the year ended December 31, 2011.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulation, and demonstrate the County's commitment of public accountability. If you have questions about this report or would like to request additional information, contact:

Charlton County Board of Commissioners
100 South 3rd St.
Folkston, Georgia 31537
Telephone: (912) 496-2529

Basic Financial Statements

The basic financial statements include the government-wide statement of net assets and government-wide statement of activities which include all of the primary government's governmental activities . In addition, the basic financial statements include the fund financial statements and the notes to the financial statements.

Charlton County, Georgia
Statement of Net Assets
December 31, 2010

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Current Assets:				
Cash	$ 4,855,476	$ -	$ 4,855,476	$ 426,671
Investments	-	-	-	-
Accounts Receivable	6,658	-	6,658	-
Taxes Receivable	1,751,312	-	1,751,312	-
Due from Other Governments	364,833	-	364,833	10,394
Fines Receivable	20,785	-	20,785	-
Internal Balances	-	-	-	-
Interest receivable	-	-	-	-
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Noncurrent Assets				
Capital Assets				
Non depreciable Capital Assets	550,000	-	550,000	-
Depreciable Capital Assets, Net	9,621,362	-	9,621,362	2,556
Deferred Charges	-	-	-	-
Total Assets	17,170,426	-	17,170,426	439,621
Liabilities and Net Assets:				
Liabilities:				
Current Liabilities:				
Accounts Payable	59,727	-	59,727	-
Accrued Expenses	3,490	-	3,490	-
Deferred Revenues	-	-	-	-
Due to Other Governments	-	-	-	-
Accrued Interest	-	-	-	-
Compensated Absences Payable	-	-	-	29,391
Capital Leases Payable	379,617	-	379,617	-
Notes Payable	500,000	-	500,000	-
Other Liabilities	-	-	-	-
Liabilities Payable From Restricted Assets	-	-	-	-
Long-Term Liabilities:				
Compensated Absences Payable (net of current portion)	12,288	-	12,288	-
Capital Leases Payable (net of current portion)	87,605	-	87,605	-
Notes Payable (net of current portion)	1,500,000	-	1,500,000	-
Total Liabilities	2,542,727	-	2,542,727	29,391
Net Assets				
Invested in Capital Assets, Net of Related Debt	7,704,140	-	7,704,140	2,556
Restricted for :				
Capital Projects	4,949,875	-	4,949,875	-
Prior Year Program Income	-	-	-	211,001
Special Programs	-	-	-	-
Unrestricted	1,973,684	-	1,973,684	196,673
Total Net Assets	$ 14,627,699	$ -	$ 14,627,699	$ 410,230

See accompanying notes to the basic financial statements.

Charlton County, Georgia
Statement of Activities
For the Year Ended December 31, 2010

		Program Revenues			Primary Government			
	Expenses	Charges for Services & Sales & Fines	Operating Grants, Contributions and Interest	Capital Grants & Contributions	Govern-mental Activities	Business Type Activities	Total	Component Units
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	$ 1,163,012	$ 450,979	$ -	$ -	$ (712,033)	$ -	$ (712,033)	$ -
Judicial	832,979	347,306	-	-	(485,673)	-	(485,673)	-
Public Safety	2,907,003	574,309	-	995,915	(1,336,779)	-	(1,336,779)	-
Public Works	2,859,917	1,969,206	9,490	-	(881,221)	-	(881,221)	-
Health and Welfare	1,654,340	49,917	-	-	(1,604,423)	-	(1,604,423)	-
Culture and Recreation	259,577	36,336	-	-	(223,241)	-	(223,241)	-
Community Development	45,169	-	-	-	(45,169)	-	(45,169)	-
Interest	63,238	-	-	-	(63,238)	-	(63,238)	-
Total Governmental Activities	9,785,235	3,428,053	9,490	995,915	(5,351,777)	-	(5,351,777)	-
Business-Type Activities:								
Other Enterprise Funds	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-	-
Total - Primary Government	$ 9,785,235	$ 3,428,053	$ 9,490	$ 995,915	$ (5,351,777)	$ -	$ (5,351,777)	$ -
Component Units								
Charlton County Health Department	575,479	211,001	422,213	-	-	-	-	57,735
Total - Component Units	$ 575,479	$ 211,001	$ 422,213	$ -	$ -	$ -	$ -	$ 57,735
		GENERAL REVENUES:						
		Taxes						
		Property			$ 3,884,456	$ -	$ 3,884,456	$ -
		Sales			706,114	-	706,114	-
		Other taxes			929,790	-	929,790	-
		Gain on Sale of Capital Assets			-	-	-	-
		Interest Earned			233,424	-	233,424	-
		Other			-	-	-	-
		Total General Revenues			5,753,784	-	5,753,784	-
		Transfers			-	-	-	-
		Total General Revenues and Transfers			5,753,784	-	5,753,784	-
		Change in Net Assets			402,007	-	402,007	57,735
		NET ASSETS BEGINNING OF YEAR -			14,180,871		14,180,871	352,495
		NET ASSETS END OF YEAR			$ 14,582,878	$ -	$ 14,582,878	$ 410,230

See accompanying notes to the basic financial statements.

Charlton County, Georgia
Balance Sheet
Governmental Funds
December 31, 2010

	General	Capital Project Funds: Jail Splost	Capital Project Funds: 2003 SPLOST	Capital Project Funds: 2008 SPLOST	Other Gov't Funds	Total Gov't Funds
Assets:						
Cash	$ 782,029	$ 745,992	$ 1,387,689	$ 1,935,947	$ 3,819	$ 4,855,476
Receivables, (net, where applicable of allowance for uncollectible.)						
Taxes	1,751,312	-	-	-	-	1,751,312
Fines	20,785	-	-	-	-	20,785
Intergovernmental	161,562	-	-	203,271	-	364,833
Accounts	6,658	-	-	-	-	6,658
Interest receivable	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
Prepaids	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Assets	$ 2,722,346	$ 745,992	$ 1,387,689	$ 2,139,218	$ 3,819	$ 6,999,064
Liabilities:						
Accounts Payable	$ 59,727	-	-	$ -	$ -	$ 59,727
Accrued Expenditures	3,490	-	-	-	-	3,490
Due to Other Funds	-	-	-	-	-	-
Payable to Other Governments	-	-	-	-	-	-
Deferred Revenue	171,923	-	-	157,607	-	329,530
Total Liabilities	235,140	-	-	157,607	-	392,747

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Balance Sheet
Governmental Funds
December 31, 2010

	General	Capital Project Funds: Jail Splost	Capital Project Funds: 2003 SPLOST	Capital Project Funds: 2008 SPLOST	Other Gov't Funds	Total Gov't Funds
Fund Balances						
Unreserved	2,487,206	-	-	-	-	2,487,206
Reserved for capital improvements	-	745,992	1,387,689	1,981,611	-	4,115,292
Unreserved, reported in nonmajor:						
Special Revenue Funds	-	-	-	-	3,819	3,819
Capital Projects Funds	-	-	-	-	-	-
Total Fund Balances	2,487,206	745,992	1,387,689	1,981,611	3,819	6,606,317
Total Liabilities and Fund Balances	$ 2,722,346	$ 745,992	$ 1,387,689	$ 2,139,218	$ 3,819	$ 6,999,064

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
For The Year Ended December 31, 2010

Total Governmental Fund Balances			$ 6,606,317
Amounts Reported for Governmental Activities in the Statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
	Cost	16,084,674	
	Less accumulated depreciation	(5,913,312)	10,171,362
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds .			
	Property taxes	100,985	
	Sales taxes	210,407	
	Grants	0	
	Fines	18,138	329,530
Liabilities, included notes and capital leases are not due and payable in the funds.			
	Note payable	(2,000,000)	
	Capital leases	(467,222)	
	Compensated absences	(12,288)	
			(2,479,510)
Net Assets of Governmental Activities			$ 14,627,699

See Accompanying Notes to the Basic Financial Statements

Charlton County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For The Year Ended December 31, 2010

		Capital Project Funds				
Revenues:	General	Jail SPLOST	2003 SPLOST	2008 SPLOST	Other Gov't Funds	Total Gov't Funds
Taxes	$ 5,467,455	$ -	$ -	$ -	$ -	$ 5,467,455
Fees and Fines	348,263	-	-	-	-	348,263
Licenses and Permits	328,141	-	-	-	-	328,141
Intergovernmental	430,904	-	-	995,915	-	1,426,819
Charges for Services	2,240,457	-	-	-	-	2,240,457
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Recreation	-	-	-	-	36,336	36,336
Interest Earnings	234,424	1,471	5,129	2,890	-	243,914
Other Revenue	44,909	-	-	-	-	44,909
Total Revenues	9,094,553	1,471	5,129	998,805	36,336	10,136,294
EXPENDITURES:						
Current:						
General Government	1,097,453	-	-	-	-	1,097,453
Judicial	819,070	-	-	-	-	819,070
Public Safety	2,711,888	-	-	-	-	2,711,888
Public Works	2,441,361	-	-	-	-	2,441,361
Health and Welfare	1,531,841	-	-	-	-	1,531,841
Culture and Recreation	211,982	-	-	-	32,520	244,502
Intergovernmental	-	-	-	-	-	-
Community Development	45,169	-	-	-	-	45,169

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For The Year Ended December 31, 2010

		Capital Project Funds				
	General	Jail SPLOST	2003 SPLOST	2008 SPLOST	Other Gov't Funds	Total Gov't Funds
Capital Outlay:						
General Government	-	-	-	-	-	-
Judicial	-	-	149,506	1,392	-	150,898
Public Safety	-	1,177,606	-	138,593	-	1,316,199
Public Works	-	-	10,200	204,501	-	214,701
Health and Welfare	-	-	23,516	75,000	-	98,516
Culture and Recreation	-	-	-	2,853	-	2,853
Community Development	-	-	-	-	-	-
Debt Service:						
Principal	124,125	-	-	54,540	-	178,665
Interest and Other Charges	60,957	-	-	2,281	-	63,238
Total Expenditures	9,043,846	1,177,606	183,222	479,160	32,520	10,916,354
Excess of Revenues Over (Under) Expenditures	50,707	(1,176,135)	(178,093)	519,645	3,816	(780,060)

Charlton County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For The Year Ended December 31, 2010

	General	Capital Project Funds: Jail SPLOST	Capital Project Funds: 2003 SPLOST	Capital Project Funds: 2008 SPLOST	Other Gov't Funds	Total Gov't Funds
Other Financing Sources (Uses):						
Inception of Notes	-	-	-	-	-	-
Inception of leases	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	50,707	(1,176,135)	(178,093)	519,645	3,816	(780,060)
Fund Balance Beginning of Year	2,436,499	1,922,127	1,565,782	1,461,966	3	7,386,377
Fund Balances - End of Year	$ 2,487,206	$ 745,992	$ 1,387,689	$ 1,981,611	$ 3,819	$ 6,606,317

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended December 31, 2010

Net Changes in Fund Balances - Total Governmental Funds		$	(780,060)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation *expense in the current period.*			
Capital outlay	1,706,773		
Depreciation expense	(709,703)		997,070
In the statement of activities, only the gain or loss on the sale of assets is reported, *whereas in the governmental funds, the proceeds from the sale increase* financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the assets sold:			
Net book value of assets sold			-
Revenues in the *statement of activities that do not provide current financial* resources are not reported as revenues in the funds.			
Grants	-		
Taxes	(3,795)		
Sales taxes	56,700		
Fines	(957)		
			51,948
Issuance of long term debt provides current financial resources to governmental funds while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. The issuance of long term debt increases long term liabilities and the repayment of long term debt reduces long term liabilities in the statement of net assets.			
Issuance of Note	-		
Issuance of capital lease	-		
Repayment of long term debt	178,665		
			178,665
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore *are not reported as expenditures in governmental funds.*			
Compensated Absences			(795)
Change in Net Assets of Governmental Activities		$	*446,828*

See Accompanying Notes to the Basic Financial Statements

Charlton County, Georgia
Comparative Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2010 and 2009

	December 31	
	2010	2009
Assets:		
Cash	$ 172,684	$ 163,889
Accounts receivable	-	-
Total Assets	$ 172,684	$ 163,889
Liabilities:		
Due to other governments and individuals	172,684	163,889
Total Liabilities	$ 172,684	$ 163,889

See accompanying notes to the basic financial statements

NOTES TO THE FINANCIAL STATEMENTS

The Notes to the financial Statements are a required component of the basic financial statements of the County. The notes present required and essential information for the fair presentation of the statements that have not been disclosed on the face of the financial statements.

Charlton County, Georgia
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Charlton County, Georgia (the County), was incorporated under the laws of the State of Georgia. The County operates under a Commissioner- Chairman form of government. The County is governed by a board of five commissioners elected by the voters of the County.

Note 1- Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its proprietary funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For Charlton County, this entity includes all departments and activities that are directly operated by the elected county officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organization that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The Component unit columns included on the government-wide financial statements identifies the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

Note 1- Summary of Significant Accounting Policies (Continued)

Brief descriptions of the discretely presented component units follow:

Charlton County Health Department (Health Department)- The Health Department provides health care services and health education to residents of Charlton County. The Health Department receives financial support from Charlton County, Georgia, the State of Georgia and the Federal Government. The County Commission appoints a majority of the Board of Directors. The Health Department issued separately audited financial statements with a fiscal year ended June 30, 2008 and copies of these financial statements may be obtained from their administrative office at:

Charlton County Health Department
Folkston, Georgia 31533

Other public entities located within the County are not included in the basic financial statements include municipalities and the following independent taxing districts authorized and established by the laws of Georgia.

Charlton County Development Authority
Charlton County Board of Education
Charlton County Board of Family & Children Services

Disbursements to these units by the County are based on contractual agreements, have been budgeted, and expended as part of the regular operations of the County.

The accounting policies of Charlton County, Georgia conform to generally accepted accounting principles, as applicable to governments. The following is a summary of the more significant policies.

1-B. Measurement Focus, Basis of Accounting and Basis of Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized

Note 1- Summary of Significant Accounting Policies (Continued)

1-B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service, compensated absences, and claims and judgments expenditures are recorded only when payment is due.

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

Government-wide Financial Statements- The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities which are generally supported by taxes and County general revenues, from business-type activities which are generally financed in whole or in part with fees charged to external customers.

The statement of net assets presents the financial position of the governmental and business-type activities of the County and its discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

Note 1- Summary of Significant Accounting Policies (Continued)

Government-wide financial statements (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) Charges for services which report fees and other charges to users of the County's service; (2) Operating grants and contributions which finance annual operating activities including restricted investment income; and (3) Capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions,* the determining factor is to which functions the revenues are *restricted.*

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

Fund Financial Statements:

The underlying accounting system of the Government is organized and operated on the basis of separate funds, each of which is considered to be 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, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and proprietary funds. The fiduciary fund statements include financial information for the agency funds. These funds represent assets held by the Government in a custodial capacity for individuals or other governments.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Note 1- Summary of Significant Accounting Policies (Continued)

Governmental Funds:

Governmental funds are used to account for the Government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The Government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term dept which is recognized when due, and accumulated unpaid sick pay which does not vest.

Property tax revenues are considered measurable and available if they are collected during the current period or within sixty days after the end of the period. Property taxes not collected within days are recorded as receivable, however, the related revenue is deferred and recognized when subsequently collected. Sales tax revenue is considered measurable and available when collected from the customer at the time that a taxable transaction occurs. Expenditure -driven grants are recognized then the qualifying expenditures have been incurred and all other grant requirements are met.

Interest revenue and charges for services revenues, are considered measurable and available if collected during the current period or within twelve months of the end of the period. The Government has determined that fines and forfeitures, in compliance with GASB 22, *Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds*, are not deemed to be susceptible to accrual as they are not measurable until received in cash.

Governmental fund types include: The General Fund, Special Revenue Funds and Capital Project Funds

Basis of Presentation:

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

Note 1- Summary of Significant Accounting Policies (Continued)

Major Governmental Funds:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general balance is available to the County for any new purpose, provided it is expanded or transferred according to the general laws of Georgia.

Capital Project Funds:

Special Local Option Sales Tax-To account for the revenue and expenditures of the funds collected from the Special Local Option Sales Tax. The Special Local Option Sales Tax are as follows:

Jail Special Local Option Sales Tax
2003 Special Local Option Sales Tax
2008 Special Local Option Sales Tax

Fiduciary Funds - Fiduciary funds reporting focuses on net assets. The County's fiduciary funds are agency funds. These agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Constitutional officers use these funds to temporarily hold assets.

Revenues- Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transaction" means expected to be received within twelve months of year-end.

Note 1- Summary of Significant Accounting Policies (Continued)

Revenues- Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales tax, property taxes ,grants, and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sales takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 4-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue form non-exchange transaction also must be available (i.e., collected within 60 days) before it can be recognized.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligation of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligation fully insured or guaranteed by the government of governmental agency
- Obligation of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost of market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed. Inventories of the proprietary funds are expensed when consumed.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

1-E-6 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statements of net assets and in the enterprise fund's statement of net assets.

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-6 Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise is capitalized.

Charlton County is a Phase III Government in regards to the implementation of GASB 34. Therefore, the infrastructure included in these financial statements includes the infrastructure added since the implementation of GASB-34. Infrastructure prior to the implementation of GASB-34 is not included.

All reported capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Improvements other than buildings	10-60 years	10-60 years
Buildings	40-60 years	40-60 years
Machinery and equipment	3-10 years	3-10 years
Infrastructure	40 years	40 years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the new present value of future minimum lease payments.

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-7 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence *liability at the fund reporting level only "when due."*

1-E-8 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligation are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only of the the extent that they are "due for payments" during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-8 Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-8 Fund Equity (Continued)

Fund Balance- Generally, fund balance represents the difference between the current assets and current liabilities. The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific services.

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 balance of any borrowing used for the acquisition, construction or improvement of those assets. Net assets 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. All other net assets are reported as unrestricted.

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

1-E-10 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

1-E-11 Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence.

Note 1- Summary of Significant Accounting Policies (Continued)

1-F-12 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management of make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Note 2- Stewardship, Compliance and Accountability

2-A. Budgetary Information - Primary Governments

The County adopts an annual operating budget for the General Fund and each Special Revenue Fund. A project budget is adopted for each Capital Projects Fund. The budget resolution reflects the total of each department's appropriation in each fund.

The general fund budget is adopted on a basis consistent with GAAP except that the occurrence of capital lease obligations and the related capital lease expenditures are not budgeted. Budgets for the Special Revenue Funds are adopted on a basis consistent with GAAP. Budgets for Capital Projects funds are adopted one basis consistent with GAAP except the budget period is a project period rather than an annual period. At year-end, no capital project period exceeded the annual.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of Commissioners.

Either the County Chairman or County Administrator may approve budget transfers within departments, except those related to personnel or capital expenditures. The Board of Commissioners must approve transfers of personnel or capital appropriations. During the year, the Board of Commissioners approved budget revisions.

All unexpended annual appropriations lapse at year-end.

2-B. Component Unit

An annual budget is adopted by the entity for the general fund as required by the grant contract. The budget is adopted on a Non-GAAP budgetary basis. The difference between the GAAP and the budgetary basis is that the encumbrances are treated as expenditures and prior year fund balances are shown as current year revenues. The budget can be modified by management at all levels based on the needs of the programs within the limitations of the grant contract specifications and approval by the granting agency.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Following is a reconciliation of the County's deposit and investment balances as of December 31, 2010:

The bank balance for the reporting entity totaling $4,855,476 includes $4,949,875 classified as Restricted Assets.

Cash & Investment reconciliation:

	Cash
Fund Reporting Level:	
Governmental Funds - Balance Sheet	$ 4,855,476
Statement of fiduciary Assets and Liabilities	172,684
Total	$ 5,028,160

Any bank deposit in excess of the total of the FDIC insured amount must be secured by an equivalent of 110% of State or U.S. Obligations.

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at December 31, 2010, consisted of taxes, interest, accounts, and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

Receivables at December 31, 2010, consist of the following:

Primary Government

	Fines	Taxes	Accounts	Due from Other Governments	Net Receivables
General Fund	$ 20,785	$ 1,751,312	$ 6,658	$ 161,562	$ 1,940,317
Other Governmental Funds	-	-	-	203,271	-
Agency Funds	-	-	-	-	-
Total Primary Government	$ 20,785	$ 1,751,312	$ 6,658	$ 364,833	$ 1,940,317
Component Units					
Charlton Co. Health Department	-	-	-	10,394	10,394
Total Component Units	-	-	-	10,394	10,394
Total Reporting Entity	$ 20,785	$ 1,751,312	$ 6,658	$ 375,227	$ 1,950,711

Note 3 - Detailed Notes on All Funds (Continued)

Amounts due from other governments include the following:

Primary Government:	
General Fund	
Georgia Department of Revenue	$ 161,562
Total General Fund	$ 161,562
Special Revenue Funds	
Georgia Department of Revenue	$ 203,271
Total Special Revenue	203,271
Total Primary Government	$ 364,833
Component Unit:	
General Fund	
Department of Human Resources WIC	$ 5,681
Local Funds	4,713
Total Component Unit	$ 10,394

3-C. Property Taxes

The Board of Commissioners levies property taxes by or about August 25th of each year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about September 15th of each year and are payable within sixty days. The county bills and collects its own property taxes and also collects property taxes for the Pierce County Board of Education, and the state of Georgia. Collection of the County's taxes, and for the other government agencies, is the responsibility of the Tax Commissioner's Office, which is accounted for as an Agency Fund. County property tax revenue at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For 2010, property taxes were levied on December 10, 2010, and were due on February 10, 2011.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance 01/01/10	Additions	Deductions	Balance 12/31/2010
Governmental activities:				
Capital asset not being depreciated:				
Land	$ 550,000	$ -	$ -	$ 550,000
Construction in progress	-	-	-	-
Total capital assets not being depreciated	550,000	-	-	550,000
Other capital assets:				
Buildings	3,618,156	1,327,111	-	4,945,267
Machinery and equipment	7,162,443	379,662	-	7,542,105
Infrastructure	3,047,302	-	-	3,047,302
Total depreciable capital assets	13,827,901	1,706,773	-	15,534,674
Accumulated depreciation:				
Buildings	598,956	216,145	-	815,101
Machinery and equipment	4,348,995	470,081	-	4,819,076
Infrastructure	255,658	23,477	-	279,135
Total accumulated depreciation	5,203,609	709,703	-	5,913,312
Governmental activities capital assets, net	$ 8,624,292	$ 997,070	$ -	$ 9,621,362

Governmental activities depreciation expense

	2010
General government	$ 21,738
Judicial	12,517
Public safety	194,319
Public works	418,556
Health and welfare	23,983
Culture and recreation	38,590
Total governmental activities depreciation expense	$ 709,703

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (Continued)

	Balance 01/01/10	Additions	Deductions	Balance 12/31/2010
Business type activities:				
Capital asset not being depreciated:				
Land	$ -	$ -	$ -	$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Other capital assets:				
Buildings	-	-	-	-
Machinery and equipment	-	-	-	-
Infrastructure	-	-	-	-
Total other capital assets	-	-	-	-
Accumulated depreciation:				
Buildings	-	-	-	-
Machinery and equipment	-	-	-	-
Infrastructure	-	-	-	-
Total accumulated depreciation	-	-	-	-
Business type activities capital assets, net	$ -	$ -	$ -	$ -

Business type activities depreciation expense

	3010
Business type activities	$ -
Total Business type activities depreciation expense	$ -

Note 3 - Detailed Notes on All Funds (Continued)

Component Unit

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

	Balance 07/01/09	Additions	Reductions	Balance 06/30/10
Primary Government				
Governmental activities:				
Depreciable capital assets:				
Equipment	$ 50,662	$ -	$ -	$ 50,662
Total depreciable capital assets	50,662	-	-	50,662
Less accumulated depreciation for:				
Equipment	46,644	1,462	-	48,106
Total accumulated depreciation	46,644	1,462	-	48,106
Total depreciable capital assets, net	$ 4,018	$ (1,462)	$ -	$ 2,556

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Interfund Balances and Transfers

Interfund balances at December 31, 2010, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

	Payable from:			
Payable to:	General fund	Major Governmental funds	Fiduciary funds	Total
General fund	$ -	$ -	$ -	$ -
Major governmental funds	-	-	-	-
Fiduciary funds	-	-	-	-
Total	$ -	$ -	$ -	$ -

Interfund transfers for the year ended December 31, 2010, consisted of the following:

Fund Transferred To:	Fund Transferred From:	Amount	Purpose

There were no transfers during the year ended December 31, 2010

Transfers are used to report revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund which it was originally provided once a project is completed.

All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Compensated Absences - Primary Government

Employees earn sick leave after 3 months of service at a rate of 5 days per year. The maximum accumulation is 45 days. Employees are not entitled to any payment for accrued but unused sick leave at termination.

Employees earn annual leave as follows:

Year of Service	Annual Leave
1 year	5 days
3 years	10 days
10 years	15 days

The maximum accumulation is 45 days. There is no requirement that annual leave be taken annually. At termination employees are paid for any accumulated annual leave.

3-F-1 Component Unit

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees up to a maximum of 360 hours.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

3-F-2 Short Term Debt

There was no short term debt issued during the year ended December 31, 2010.

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt

Primary Government Capital Leases--The County has entered into capital leases for various pieces of equipment. These leases meet the criteria of a capital lease since they transfer benefits and risks of ownership to the lessees at the end of the lease term. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting levels. The equipment acquired by the leases is included in governmental activities general capital assets in the amount of $672,875 (cost of $1,395,825 less accumulated depreciation of $722,950). The outstanding balance of the corresponding liabilities is included in governmental activities general long term debt. Future minimum lease payments are as follows:

	Capital Leases		
Year	Principal	Interest	Total
2011	$ 379,617	$ 18,226	$ 397,843
2012	10,185	2,900	13,085
2013	77,420	1,524	78,944
2014	-	-	-
2015	-	-	-
Totals	$ 467,222	$ 22,650	$ 489,872

Changes in Long-term Debt--Changes in the County's long term obligations consisted of the following for the year ended December 31, 2010.

Primary Government:	Outstanding Balance			Outstanding Balance	Amount Due in	Amount Due in more than
Governmental Activities	Jan. 1, 2010	Additions	Deductions	Dec. 31, 2010	One Year	One Year
Capital lease	-	-	-	-	-	-
Capital lease	56,905	-	28,889	28,016	28,016	-
Capital lease	59,676	-	28,951	30,725	30,725	-
Capital lease	-	-	-	-	-	-
Capital lease	111,199	-	15,602	95,597	95,597	-
Capital lease	101,779	-	8,305	93,474	93,474	-
Capital lease	109,994	-	16,791	93,203	93,203	-
Capital lease	20,238	-	16,080	4,158	4,158	-
Capital lease	106,952	-	9,507	97,445	9,840	87,605
Capital lease	79,144	-	54,540	24,604	24,604	-
Note Payable	2,000,000	-	-	2,000,000	500,000	1,500,000
Total Capital Leases	2,645,887	-	178,665	2,467,222	879,617	1,587,605
Compensated absences	11,493	34,620	33,825	12,288	-	12,288

Note 3 - Detailed Notes on All Funds (Continued)

The liability for the compensated absences will be retired by the General Fund.

Capital leases:

On Nov. 1, 2006, the County entered into a lease agreement with Wachovia Bank through ACCG at an interest rate of 5.81% with an original amount of $136,000 with a maturity date of Nov. 1, 2011 for the purchase of equipment. The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Dec. 31, 11	$ 28,016	$ 832	$ 28,848
Dec. 31, 12	-	-	-
Dec. 31, 13	-	-	-
Dec. 31, 14	-	-	-
Dec. 31, 15	-	-	-
Totals	$ 28,016	$ 832	$ 28,848

On Dec. 8, 2006, the County entered into a lease agreement with Wachovia Bank through ACCG at an interest rate of 5.90% with an original amount of $161,326 with a maturity date of Dec. 8, 2011 for the purchase of equipment. The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Dec. 31, 11	$ 30,725	$ 832	$ 31,557
Dec. 31, 12	-	-	-
Dec. 31, 13	-	-	-
Dec. 31, 14	-	-	-
Dec. 31, 15	-	-	-
Totals	$ 30,725	$ 832	$ 31,557

Note 3 - Detailed Notes on All Funds (Continued)

On May 1, 2006, the County entered into a lease agreement with Caterpillar Financial at an interest rate of 5.30% with an original amount of $161,314 with a maturity date of May 1, 2011 for the purchase of equipment. The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Dec. 31, 11	$ 95,597	$ 5,616	$ 101,213
Dec. 31, 12	-	-	-
Dec. 31, 13	-	-	-
Dec. 31, 14	-	-	-
Dec. 31, 15	-	-	-
Totals	$ 95,597	$ 5,616	$ 101,213

On May 1, 2006, the County entered into a lease agreement with Caterpillar Financial at an interest rate of 5.30% with an original amount of $127,214 with a maturity date of May 1, 2011 for the purchase of equipment. The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Dec. 31, 11	$ 93,474	$ 5,219	$ 98,693
Dec. 31, 12	-	-	-
Dec. 31, 13	-	-	-
Dec. 31, 14	-	-	-
Dec. 31, 15	-	-	-
Totals	$ 93,474	$ 5,219	$ 98,693

Note 3 - Detailed Notes on All Funds (Continued)

On May 1, 2006, the County entered into a lease agreement with Caterpillar Financial at an interest rate of 5.30% with an original amount of $166,813 with a maturity date of May 1, 2011 for the purchase of equipment. The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Dec. 31, 11	$ 93,203	$ 2,040	$ 95,243
Dec. 31, 12	-	-	-
Dec. 31, 13	-	-	-
Dec. 31, 14	-	-	-
Dec. 31, 15	-	-	-
Totals	$ 93,203	$ 2,040	$ 95,243

On February 22, 2008, the County entered into a lease agreement with Wachovia Financial at an interest rate of 5.50% with an original amount of $46,347 with a maturity date of February 22, 2011 for the purchase of equipment. The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Dec. 31, 11	$ 4,158	$ 57	$ 4,215
Dec. 31, 12	-	-	-
Dec. 31, 13	-	-	-
Dec. 31, 14	-	-	-
Dec. 31, 15	-	-	-
Totals	$ 4,158	$ 57	$ 4,215

Note 3 - Detailed Notes on All Funds (Continued)

On June 25, 2008, the County entered into a lease agreement with International Decision Systems, Inc. at an interest rate of 3.45% with an original amount of $120,612 with a maturity date of July 25, 2013 for the purchase of equipment. The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Dec. 31, 11	$ 9,840	$ 3,245	$ 13,085
Dec. 31, 12	10,185	2,900	13,085
Dec. 31, 13	77,420	1,524	78,944
Dec. 31, 14	-	-	-
Dec. 31, 15	-	-	-
Totals	$ 97,445	$ 7,669	$ 105,114

Note 3 - Detailed Notes on All Funds (Continued)

On January 1, 2009, the County entered into a lease agreement with Wachovia Financial Services at an interest rate of 1.85% with an original amount of $153,900 with a maturity date of June 20, 2011 for the purchase of equipment. The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Dec. 31, 11	$ 24,604	$ 386	$ 24,990
Dec. 31, 12	-	-	-
Dec. 31, 13	-	-	-
Dec. 31, 14	-	-	-
Dec. 31, 15	-	-	-
Totals	$ 24,604	$ 386	$ 24,990

Note 3 - Detailed Notes on All Funds (Continued)

Note 3 - Detailed Notes on All Funds (Continued)

On June 1, 2009, the County entered into a Note with Southeastern bank at an interest rate of 4.5% with an original amount of $2,000,000 with a maturity date of January10, 2013. The is secured with the future revenue of the county and is due as follows per the agreement between the County and the Bank.

Year Ended	Principal	Interest	Total
Dec. 31, 11	$ 500,000	$ 52,000	$ 552,000
Dec. 31, 12	500,000	67,253	567,253
Dec. 31, 13	500,000	45,192	545,192
Dec. 31, 14	500,000	22,140	522,140
Dec. 31, 15	-	-	-
Totals	$ 2,000,000	$ 186,585	$ 2,186,585

Note 4 - Pension Plan - Primary Government

The County sponsors thru the Association of County Commissioners of Georgia (ACCG) Restated Pensiion Plan for Charlton County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided by Section 19.02 of the ACCG Plan document.

Funding Policy: The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. Contributions are not required by active plan members.

A. Financial Statement for the Year Ended December 31, 2010:

1. Statement of Net Plan Assets:

Market value of Assets	$ 2,202,846
Receivables:	
Employer Contributions	189,658
Employee Contributions	-
Due From Insurance Pool	1,693
Total Plan Assets	2,394,197
Liabilities:	
Administrative Expenses	12,741
Accrued Investment Fee	357
Payable to Insurance Pool	-
Total Liabilities	13,098
Net Assets Held in Trust for Pension Benefits	$ 2,381,099

Note 4 - Pension Plan - Primary Government (continued)

2. Statement of Changes in Net Plan Assets
For The Year Ended December 31, 2010

Additions:

Assets Transfer	$ -
Employer Contributions	189,658
Employee Contributions	-
Net Investment Income	243,676
Employee Contributions Buy Back	-
Total Additions	433,334

Deductions:

Administrative Expenses	12,741
Benefit Payments	124,884
Post-Retirement Death Benefit Expense	439
Pre-Retirement Death Benefit Expense	21,014
Transfer to Successor Plans	-
Refund of Employee Contributions	-
Total Deductions	159,078
Net Increase in Plan Assets	$ 274,256

Net Assets Held in Trust for Pension Benefits:

Beginning of Year	$ 2,106,843
End of Year	$ 2,381,099

Note 4 - Pension Plan - Primary Government (continued)

B. Summary of Significant Accounting Policies

The plan's financial statements are prepared on 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 the 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 60% equities and 40% fixed income securities on a cost basis.

C. Contributions:

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state required annual finding requirements.

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

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

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement, and termination of employment, if eligibility conditions are met. An outline of plan provisions was attached at the end of this year's valuation report.

Note 4 - Pension Plan - Primary Government (continued)

The annual County contribution to the Plan is determined using the actuarial basis described in the annual valuation report. The annual County contribution meets or exceeds the minimum funding requirements of Georgia Statute 47-20.

The information required to comply with GASB 50 is included in this report.

Participant counts as of January 1, 2010 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees, Beneficiaries and Disables receiving benefits	21
Terminated plan participants entitled to but not yet receiving benefits	24
Active employees participating in the Plan	65
Total number of Plan Participants	110
Covered compensation for active participants	$ 1,952,873

Actuarial Present Value of Accumulated Plan Benefits as of December 31, 2010:

a. Vested:	
Retirees (and others in pay status)	$ 898,103
Deferred Vested (former employees)	298,350
Vested Active Participants	1,430,739
Total	2,627,192
b. Nonvested	97,193
Total	$ 2,724,385
Effect of Future Salary Increases	$ 562,087
Total Actuarial Accrued Liability	$ 3,286,472
Net Assets Available for Benefits (including receivables)	$ 2,381,099

Note 4 - Pension Plan - Primary Government (continued)

Net Assets in Excess of Actuarial Present Value of Accumulated Plan Benefits	$ (343,286)
Principal Actuarial Assumptions:	
Investment Return	7.75%
Rate of Future Salary Increases	5.0%-7.5% based on age
(not applicable to Accumulated Plan Benefits calculations)	

Required Schedule of Supplementary Invormation
Schedule of Employer Contributions

Year Ended 31-Dec	Annual Required Contribution	Percentage Contributed
1999	$ 48,838	100%
2000	49,482	100%
2001	43,980	100%
2002	66,660	100%
2003	98,800	100%
2004	125,876	100%
2005	136,607	110.5%
2006	144,348	108.6%
2007	168,141	106.1%
2008	187,024	104.1%
2009	218,249	85.8%
2010	$ 234,479 · 44,821	80.9%

Note 4 - Pension Plan - Primary Government (continued)

Fiscal Year Ending	Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded (AAL) (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll c	UAAL as a Percent of Covered Payroll [(b-a)/c]
Dec. 31, 10	$2,411,515	*	$ 3,286,472	$ 874,957	73.4%	$1,952,873	44.8%
Dec. 31, 09	2,260,756	*	3,032,314	771,558	74.6%	1,886,614	40.9%
Dec. 31, 08	2,082,220	*	2,752,985	670,765	75.6%	1,730,688	38.8%
Dec. 31, 07	2,037,879		2,527,350	489,471	80.6%	1,572,775	31.1%
Dec. 31, 06	1,827,249		2,272,180	444,931	80.4%	1,243,125	35.8%
Dec. 31, 05	1,642,885		2,186,675	543,790	75.1%	1,215,075	44.8%
Dec. 31, 04	1,512,124		1,916,659	404,435	78.9%	1,121,990	36.1%
Dec. 31, 03	1,378,497		1,666,391	287,894	82.7%	1,020,688	28.2%
Dec. 31, 02	1,191,947		1,425,038	233,091	83.6%	959,841	24.3%
Dec. 31, 01	1,263,735		1,357,398	93,663	93.1%	804,791	11.6%
Dec. 31, 00	1,284,810		1,315,523	30,713	97.7%	851,117	3.6%
Dec. 31, 99	$1,247,993		1,281,047	$ 33,054	97.4%	$ 713,925	4.6%

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of funded 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 the percentage, the stronger the Plan.

Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis so the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

* Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

Note 4 - Pension Plan - Primary Government (continued)

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2010. The following summarizes the actuarial methods and assumptions used in that valuation:

Valuation Date:	January 1, 2010
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent of Pay (Closed)
Remaining Amortization Period*:	10
Actuarial Assumptions:	
Assumed Rate of Return on Assets	7.75%
Expected Future Salary Increases	5.0%-7.5% (Based on Age)
Expected inflation:	3.00%

* Represents the estimated amortization period for all unfunded liabilities combined into one amortization base.

4-A Pension Plan Component Unit

(A) Plan Description

The Charlton County Board of Health is a member of the State of Georgia Employee's Retirement System, which is cost-sharing multiple-employer Public Employee Retirement System (PERS).

All full-time state merit employees are eligible and must participate in the State PERS. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. A member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 65. A member may retire early and elect to receive reduced retirement benefits after completion of 10 years of creditable service and attainment of age 60, or after completion of 30 years of creditable service regardless of age. (Certain employees can retire having completed 34 or more years of service, regardless of age, and receive the same benefits as if they retired at age 65.) Benefits under the PERS are based on salary, years of service, age and various plan options.

Plan provisions include deferred allowances whereby an employee may terminate his or her employment after accumulating 10 years of service but before reaching age 60. If the employee does not withdraw his or her accumulated contributions, the employee is entitled to all pension benefits as described above upon reaching age 60.

The plan provides employees who have at least 13 years and 4 months of creditable service with certain disability and death benefits.

(B) Contributions Required and Made

Employees are required to pay either 1.25% of gross earnings, for those employees eligible to and who have elected to be treated under an old plan, or .25% of gross earnings for all others, to the plan. The Charlton County Board of Health makes annual contributions to the pension plan equal to the amount required as set by the Board of Trustees of the PERS as determined by the system's actuary. Employer contributions amounted to 5.66% and 10.41% of covered compensation for the rest of the fiscal year for participants in the old and new plan respectively for the year ended June 30, 2010. Employer contributions made for the year ended June 30, 2010 totaled $33,045.

(C) Administration and Funding

A Board of Trustees is responsible for administration of the PERS.

All contributions are paid into the Employee's Retirement Fund for the exclusive benefit of members of the System and their beneficiaries. All benefits are paid out of this fund.

The ability of the fund to meet future obligations is examined each year by an independent actuarial firm which specializes in pension and retirement plans. Based on this examination a yearly evaluation of the System is furnished to the Board of Trustees. Every five years an actuarial experience study is performed. In addition, the PERS has an annual examination by an Independent accounting firm in accordance with generally accepted auditing standards.

Pertinent actuarial and historical information is presented in the State of Georgia Employee's Retirement System Annual Financial Report.

Note 5 - Other Notes (Continued)

5-A. Risk Management - Primary Government

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The County has joined the ACCG Interlocal Risk Management Agency (IRMA). The membership allows the County to share liability, crime, motor vehicle and property damage risks. The County is also a part of the ACCG Workers' Compensation Self Insurance Fund.

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

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

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

5-A-1 Component Unit

Significant losses are covered by commercial insurance for all major risks. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or any previous year.

5-B. Subsequent Events

No subsequent events came to my attention that are expected to have a material effect on the County's financial statements.

Note 5 - Other Notes (Continued)

5-C. Contingent Liabilities - Primary Government

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement of the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County is not a defendant in any lawsuits at December 31, 2010. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

5-C-1 Component Unit

The Health Department participates in federal and state assisted programs subject to problem compliance audits by the grantors or their representatives. It is the Health Department's opinion that no material unrecorded liabilities will arise from audits previously performed or to be performed. Regardless, receipt of these federal and state grant revenues is not assured into the future.

5-D. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the eight county southeast Georgia areas, is a member of the Southeast Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended December 31, 2009, the county paid $14,154 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia, The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

Southeast Georgia Regional Development Center
3395 Harris Road
Waycross, Georgia 31503

5-D-1 Closure and Post Closure Cost

The County entered into an agreement with Chesser Island Road Landfill, Inc., to provide landfill access to the County. Chesser Island Road Landfill, Inc. has assumed all responsibility for closure and post closure expense for the county landfill. Therefore, no liability will be borne by the County and no expense is accrued in the financial statements.

Note 5 - Other Notes (Continued)

5-D-2 Unemployment Claims

The County has elected to provide for unemployment compensation claims on a "self-insured" basis. As such, any claims are processed by the Georgia Department of Labor Employment Security Agency and reimbursement is requested from the County. Based on past experience the claims made against the County have been of an insignificant amount per year. Therefore, no reserve has been set up at December 31, 2007.

Note 7 - Expenditures Over Appropriations

There is no fund that had expenditures over appropriations:

Fund	Actual Expenditures	Final Appropriations	Expenditures Over Appropriations

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

GENERAL FUND

A MAJOR FUND

The General Fund is the principal fund of the County and is used to account for all activities except those required to be accounted for in another fund.

Charlton County, Georgia
Budgetary Comparison Schedule--General Fund
For the Year Ended December 31, 2010

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
General Taxes:				
Property Taxes	$ 4,952,375	$ 4,952,375	$ 4,612,148	$ (340,227)
Other Taxes	850,297	850,297	855,307	5,010
Licenses, Fees and Permits	349,604	349,604	328,141	(21,463)
Charges for Services	1,433,800	1,433,800	2,240,457	806,657
Fines and Forfeitures	508,000	508,000	348,263	(159,737)
Interest	170,000	170,000	234,424	64,424
Intergovernmental	900,113	900,113	430,904	(469,209)
Other Revenue	24,230	24,230	44,909	20,679
Total Revenue	9,188,419	9,188,419	9,094,553	(93,866)
EXPENDITURES:				
County Commissioner's Office				
Current:				
General government	1,097,538	1,097,538	1,097,453	85
Judicial	822,058	822,058	819,070	2,988
Public safety	2,725,181	2,725,181	2,711,888	13,293
Public works	2,466,372	2,466,372	2,441,361	25,011
Health and welfare	1,533,689	1,533,689	1,531,841	1,848
Culture and recreation	304,050	304,050	211,982	92,068
Economic development	54,449	54,449	45,169	9,280
Contingency	-	-	-	-
Debt Service:				
Principal retirement	124,125	124,125	124,125	-
Interest	60,957	60,957	60,957	-
Total Expenditures	9,188,419	9,188,419	9,043,846	144,573
Excess Revenues Over (Under) Expenditures	-	-	50,707	50,707
Other Financing Sources (Uses)				
Transfers In:	-	-	-	-
Transfers (Out):	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Inception of notes	-	-	-	-
Inceptions of leases:	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	$ -	$ -	50,707	$ 50,707
Fund Balance Beginning of Year			2,436,499	
Fund Balance End of Year			2,487,206	

Charlton County, Georgia
Notes to the Budgetary Comparison Schecule
For the Year Ended December 31, 2010

1 Stewardship, Compliance and Accountability:

A. Budgets and Budgetary Accounting:

The annual budget is the financial plan for the operation of Charlton County, Georgia for the ensuing year. The budget process provides for a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the Government. The Government is required to adopt an annual budget no later than sixty (60) days prior to the beginning of each fiscal year. The County Manager, with the assistance of the County Clerk and Department Heads, is required to prepare and submit a budget to the County Commission for review, public hearings and adoption. The Commission may approve, reject, or modify the proposed budget and shall adopt the final budget by ordinance no later than December 31. Upon recommendation of the County Manager and approval of the Chairman and Commission. The Government may make interfund or interdepartmental transfers in the current operating budgets at any regular or special meeting called for such purpose, provided funds are available. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles.

Annual Budgets are adopted for the following funds:

Governmental Funds:

General Fund

Special Revenue Funds:

Recreation Department

Capital Project funds:

Jail SOLOST
2003 SPLOST Fund
2008 SPLOST Fund

Budgetary amounts are formally integrated into the fund general ledgers.

The legal level of budgetary control is the governmental function level within the individual funds. Increases in the total appropriations of a function, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among functions, require the recommendation of the County Manager and approval of the County Commission. The County Manager may authorize transfers of appropriations between line items with any function without Commission approval. Appropriations lapse at year end. Final budget amounts are included on all budget comparisons in this report.

Charlton County, Georgia
Notes to the Budgetary Comparison Schecule
For the Year Ended December 31, 2010

1 Stewardship, Compliance and Accountability:

B. Excess of Expenditures over Appropriations:

Expenditures in excess of appropriations for the year ended December 31, 2010.

General Fund:

	Final Budget	Actual Amounts on Budgetary Basis	Variance with Final Budget

There were no instances in which the expenditures exceeded the appropriation.

CAPITAL PROJECT FUNDS

A MAJOR FUND

The Capital Project Fund is to account for all activities associated with the County's Capital Projects.

The Major Capital Project Funds are as Follows:

Jail Splost
2003 Special Local Option Sales Tax
2008 Special Local Option Sales Tax

Charlton County, Georgia
Budgetary Comparison Schedule--Jail SPLOST Fund
For the Year Ended December 31, 2010

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
Sales taxes	$ -	$ -	$ -	$ -
Interest	2,000	2,000	1,471	(529)
Total Revenue	2,000	2,000	1,471	(529)
EXPENDITURES:				
County Commissioner's Office				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital Expenditures:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	1,500,000	1,500,000	1,177,606	322,394
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service:				-
Principal retirement	-	-	-	-
Interest	-	-	-	-
	-			
Total Expenditures	1,500,000	1,500,000	1,177,606	322,394
Excess Revenues Over (Under) Expenditures	(1,498,000)	(1,498,000)	(1,176,135)	321,865
Other Financing Sources				
Contingency	1,498,000	1,498,000	-	(1,498,000)
Transfers In:	-	-	-	-
Transfers (Out):	-	-	-	-
Inceptions of Notes:	-	-	-	-
Total Other Financing Sources (Uses)	1,498,000	1,498,000	-	(1,498,000)
Net Change in Fund Balance	$ -	$ -	(1,176,135)	$ (1,176,135)
Fund Balance Beginning of Year			1,922,127	
Fund Balance End of Year			$ 745,992	

Charlton County, Georgia
Budgetary Comparison Schedule--2003 SPLOST Fund
For the Year Ended December 31, 2010

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
Sales taxes	$ -	$ -	$ -	$ -
Interest	8,000	8,000	5,129	(2,871)
Total Revenue	8,000	8,000	5,129	(2,871)
EXPENDITURES:				
County Commissioner's Office				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital Expenditures:				
General government	-	-	-	-
Judicial	150,000	150,000	149,506	494
Public safety	-	-	-	-
Public works	12,500	12,500	10,200	2,300
Health and welfare	-	-	-	-
Culture and recreation	25,000	25,000	23,516	1,484
Debt Service:				-
Principal retirement	-	-	-	-
Interest	-	-	-	-
	-			
Total Expenditures	187,500	187,500	183,222	4,278
Excess Revenues Over (Under) Expenditures	(179,500)	(179,500)	(178,093)	1,407
Other Financing Sources				
Contingency	179,500	179,500	-	(179,500)
Transfers In:	-	-	-	-
Transfers (Out):	-	-	-	-
Inceptions of Notes:	-	-	-	-
Total Other Financing Sources (Uses)	179,500	179,500	-	(179,500)
Net Change in Fund Balance	$ -	$ -	(178,093)	$ (178,093)
Fund Balance Beginning of Year			1,565,782	
Fund Balance End of Year			$ 1,387,689	

Charlton County, Georgia
Budgetary Comparison Schedule--2008 SPLOST Fund
For the Year Ended December 31, 2010

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
Intergovernmental	$ 1,000,000	$ 1,000,000	$ 995,915	$ (4,085)
Interest	2,500	2,500	2,890	390
Total Revenue	1,002,500	1,002,500	998,805	(3,695)
EXPENDITURES:				
County Commissioner's Office				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital Expenditures:				
General government	-	-	-	-
Judicial	2,000	2,000	1,392	608
Public safety	155,000	155,000	138,593	16,407
Public works	210,000	210,000	204,501	5,499
Health and welfare	100,000	100,000	75,000	25,000
Culture and recreation	3,500	3,500	2,853	647
Debt Service:				-
Principal retirement	54,540	54,540	54,540	-
Interest	2,281	2,281	2,281	-
	-			
Total Expenditures	527,321	527,321	479,160	48,161
Excess Revenues Over (Under) Expenditures	475,179	475,179	519,645	44,466
Other Financing Sources (Uses)				
Contingency	(475,179)	(475,179)	-	475,179
Transfers In:	-	-	-	-
Transfers (Out):	-	-	-	-
Inceptions of Notes:	-	-	-	-
Total Other Financing Sources (Uses)	(475,179)	(475,179)	-	475,179
Net Change in Fund Balance	$ -	$ -	519,645	$ 519,645
Fund Balance Beginning of Year			1,461,966	
Fund Balance End of Year			$ 1,981,611	

NON-MAJOR SPECIAL REVENUE FUNDS

Account for the proceeds of specific revenue sources (other than those from expendable trusts or for major capital projects) that are restricted legally to expenditures for specified purposes.

The County's Non-major Special Revenue Funds are as follows:

Recreation Department

NON-MAJOR SPECIAL REVENUE FUNDS

Recreation Department: To account for revenue and expenditures of organized sports events conducted by the recreation department.

Charlton County, Georgia
Recreation Department
Balance Sheet
December 31, 2010

Assets:		
Cash	$	3,819
Grant receivable		-
Total Assets	$	3,819
Liabilities and Fund Balance:		
Liabilities		
Deferred grant revenue	$	-
Total Liabilities		-
Fund Balance		
Unreserved, reported in nonmajor		
Special Revenue Funds		3,819
Total Fund Balances		3,819
Total Liabilities and Fund Balances	$	3,819

Charlton County, Georgia
Recreation Department
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Charges for services	$ 40,000	$ 40,000	$ 36,336	$ (3,664)
Interest	-	-	-	-
Total Revenues	40,000	40,000	36,336	(3,664)
Expenditures:				
Current:				
Administration	-	-	-	-
Recreation	40,000	40,000	32,520	7,480
Total Expenditures	40,000	40,000	32,520	7,480
Excess (deficiency) of Revenues over (under) Expenditures	-	-	3,816	3,816
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other F incncing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	3,816	3,816
Fund Balance Beginning	3	3	3	-
Fund Balance Ending	$ 3	$ 3	$ 3,819	$ 3,816

FIDUCIARY FUNDS

The Fiduciary Funds are used to account for ASSETS held by the County in a fiduciary capacity.

The County's Fiduciary-Agency Funds are as follows:

Tax Commissioner
Sheriff
Clerk of Court
Magistrate Court
Probate Court

Charlton County, Georgia
Combining Schedule of Fiduciary Assets and Liabilities
All Agency Funds
December 31, 2010

	Tax Commissioner	Sheriff	Clerk of Court	Magistrate Court	Probate Court	Totals
Assets:						
Cash	$ -	$ 15,076	$ 150,816	$ 6,750	$ 42	$ 172,684
Taxes receivable						-
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total Assets	$ -	$ 15,076	$ 150,816	$ 6,750	$ 42	$ 172,684
Liabilities:						
Due to other funds	$ -	$ -	$ -	$ -	$ -	$ -
Due to other governments and individuals	-	15,076	150,816	6,750	42	- 172,684
Total Liabilities	$ -	$ 15,076	$ 150,816	$ 6,750	$ 42	$ 172,684

Charlton County, Georgia
Combining Schedule of Changes in Assets and Liabilities
Agency Funds
December 31, 2010

Tax Commissioner	Balance Jan. 1,2010	Additions	Deductions	Balance Dec. 31, 2010
Assets:				
Cash	$ -	$ 9,004,928	$ 9,004,928	$ -
Taxes Receivable	-	-	-	-
Accounts Receivable	-	-	-	-
Total Assets	$ -	$ 9,004,928	$ 9,004,928	$ -
Liabilities:				
Due to Other Funds	$ -	$ 4,704,284	$ 4,704,284	$ -
Due to Other Governments and Individuals	-	4,300,644	4,300,644	-
Total Liabilities	$ -	$ 9,004,928	$ 9,004,928	$ -

Sheriff	Balance Jan. 1,2010	Additions	Deductions	Balance Dec. 31, 2010
Assets:				
Cash	$ 15,851	$ 89,036	$ 89,811	$ 15,076
Total Assets	$ 15,851	$ 89,036	$ 89,811	$ 15,076
Liabilities:				
Due to Other Funds	$ -	$ 70,726	$ 70,726	$ -
Due to Other Governments and Individuals	15,851	18,310	19,085	15,076
Total Liabilities	$ 15,851	$ 89,036	$ 89,811	$ 15,076

Charlton County, Georgia
Combining Schedule of Changes in Assets and Liabilities
Agency Funds
December 31, 2010

Clerk of Court	Balance Jan. 1,2010	Additions	Deductions	Balance Dec. 31, 2010
Assets:				
Cash	$ 147,996	$ 352,697	$ 349,877	$ 150,816
Total Assets	$ 147,996	$ 352,697	$ 349,877	$ 150,816
Liabilities:				
Due to Other Funds	$ -	$ 211,704	$ 211,704	$ -
Due to Other Governments and Individuals	147,996	140,993	138,173	150,816
Total Liabilities	$ 147,996	$ 352,697	$ 349,877	$ 150,816

Magistrate Court	Balance Jan. 1,2010	Additions	Deductions	Balance Dec. 31, 2010
Assets:				
Cash	$ -	$ 83,668	$ 76,918	$ 6,750
Due from Other Funds	-	-	-	-
Total Assets	$ -	$ 83,668	$ 76,918	$ 6,750
Liabilities:				
Due to Other Funds	$ -	$ 16,649	$ 16,649	$ -
Due to Other Governments and Individuals	-	67,019	60,269	6,750
Total Liabilities	$ -	$ 83,668	$ 76,918	$ 6,750

Charlton County, Georgia
Combining Schedule of Changes in Assets and Liabilities
Agency Funds
December 31, 2010

Probate Court	Balance Jan. 1,2010	Additions	Deductions	Balance Dec. 31, 2010
Assets:				
Cash	$ 42	$ 72,327	$ 72,327	$ 42
Total Assets	$ 42	$ 72,327	$ 72,327	$ 42
Liabilities:				
Due to Other Funds	$ -	$ 72,327	$ 72,327	$ -
Due to Other Governments and Individuals	42	-	-	- 42
Total Liabilities	$ 42	$ 72,327	$ 72,327	$ 42

Total all Agencies	Balance Jan. 1,2010	Additions	Deductions	Balance Dec. 31, 2010
Assets:				
Cash	$ 163,889	$ 9,602,656	$ 9,593,861	$ 172,684
Taxes Receivable	-	-	-	-
Accounts Receivable	-	-	-	-
Total Assets	$ 163,889	$ 9,602,656	$ 9,593,861	$ 172,684
Liabilities:				
Due to Other Funds	$ -	$ 5,075,690	$ 5,075,690	$ -
Due to Other Governments and Individuals	163,889	4,526,966	4,518,171	172,684
Total Liabilities	$ 163,889	$ 9,602,656	$ 9,593,861	$ 172,684

CAPITAL ASSETS

USED IN THE OPERATION

OF GOVERNMENTAL FUNDS

The Capital Assets of the County are presented by source, function and activity, and changes by function and activity.

Charlton County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
December 31, 2010

	2010	2009
Governmental Funds Capital Assets		
Land	$ 550,000	$ 550,000
Buildings	4,945,267	3,618,156
Machinery and Equipment	7,542,105	7,162,443
Infrastructure	3,047,302	3,047,302
Construction in Progress	-	-
Total Governmental Funds Capital Assets	$ 16,084,674	$ 14,377,901
Investments in Governmental Funds Capital Assets by Source		
General Fund	10,375,391	10,375,391
Special Revenue Funds	-	-
Capital Projects Funds	5,709,283	4,002,510
Total Governmental Funds Capital Assets	$ 16,084,674	$ 14,377,901

Charlton County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2010

Function and Activity	Land	Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government	$ 275,000	$ 953,942	$ 79,796	$ -	$ -	$ 1,308,738
Judicial	-	200,043	32,925	-	-	232,968
Public Safety	50,000	2,402,411	2,398,069	-	-	4,850,480
Public Works	50,000	25,143	4,689,620	3,047,302	-	7,812,065
Health and Welfare	25,000	423,345	32,827	-	-	481,172
Culture and Recreation	150,000	940,383	308,868	-	-	1,399,251
Total Governmental Fund Capital Assets	$ 550,000	$ 4,945,267	$ 7,542,105	$ 3,047,302	$ -	$ 16,084,674

Charlton County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2010

Function and Activity	Governmental Funds Capital Assets Jan. 1, 2010	Additions	Deductions	Governmental Funds Capital Assets Dec. 31, 2010
Land	$ 550,000	$ -	$ -	$ 550,000
Buildings	3,618,156	1,327,111	-	4,945,267
Machinery and equipment	7,162,443	379,662	-	7,542,105
Infrastructure	3,047,302	-	-	3,047,302
Construction in progress	-	-	-	-
	$ 14,377,901	$ 1,706,773	$ -	$ 16,084,674

STATE COMPLIANCE SECTION

SPECIAL REPORTS

The Special Report is applicable to the Special 1 Percent Sales and Use tax required by the State of Georgia.

Earl A. Lawson CERTIFIED PUBLIC ACCOUNTANT

112 N. CENTRAL AVENUE
BLACKSHEAR, GA 31516
TELEPHONE: 912-449-5485
FAX: 912-449-1529

Independent Auditor's Report on the Schedule of Special Purpose Local Option Sales Tax

To The County Commissioners
Charlton County, Georgia

I have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the Charlton County, Georgia for the year ended December 31, 2010. This schedule is the responsibility of the Charlton County's management. My responsibility is to express an opinion on the Schedule of special Purpose Local Option Sales Tax based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the Schedule of Special Purpose Local Option Sales Tax if free of material misstatement. An audit includes examining, on a test basis, evidence suppurating the amounts and disclosures in the Schedule of special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of special Purpose Local Option Sales Tax. I believe that my audit provides a reasonable basis for my opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code to Georgia Annotated, 48-8-121 on the modified accrual basis of accounting used for the SPLOST schedule as described in Note 1-D and is not intended to be a complete presentation of Charlton County's revenues and expenditures.

In my opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in Charlton County's resolution or ordinance calling for the tax for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United states of America.

Earl A. Lawson
Certified Public Accountant
June 8, 2011

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Charlton County, Georgia
Jail Projects Constructed With Special Purpose
Local Option Sales Tax Proceeds
For the Year Ended December 31, 2010

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Jail	2,000,000	776,636	1,177,605	1,954,241	97.71%
TOTAL	$ 2,000,000	$ 776,636	$ 1,177,605	$ 1,954,241	

Note (1): Estimated percentage of completion is based on expenditures by the County to date in relation to total estimated expenditures, which have provided by County management.

Charlton County, Georgia
1998 Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2010

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Building Improvements	$ 2,216,580	$ 2,216,580	$ -	$ 2,216,580	100.00%
Roads	1,000,000	1,459,407	-	1,459,407	145.94%
	$ 3,216,580	$ 3,675,987	$ -	$ 3,675,987	

Note (1): Estimated percentage of completion is based on expenditures by the County to date in relation to total estimated expenditures, which have provided by County management.

Charlton County, Georgia
2003 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2010

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Courthouse Renovations	$ 1,398,000	$ 498,274	$ 149,506	$ 647,780	46.34%
Better and improvements of equipment and facilities of the Charlton Memorial Hospital, to include possible purchase of supplies and equipment.	361,800	388,800	-	388,800	107.46%
Betterment and improvements of Equipment and Resources of the Fire Departments to include possible purchase of supplies and equipment.	535,000	644,414	-	644,414	120.45%
Betterment and improvement of recreational facilities and equipment to include possible puchase of supplies and equipment.				-	
Charlton County	510,000	665,629	23,516	689,145	135.13%
City of Homeland	25,000	25,000	-	25,000	100.00%
Paving of roads and street Improvements					
Charlton County	830,000	1,446,584	10,200	1,456,784	175.52%
City of Folkston	145,000	145,000	-	145,000	100.00%
City of Homeland	25,000	25,000	-	25,000	100.00%

Charlton County, Georgia
2003 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2010

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Improvement and expansion of the Library to include possible purchase of supplies and equipment.	271,000	271,000	-	271,000	100.00%
TOTAL	$ 4,100,800	$ 4,109,701	183,222	4,292,923	

Note (1): Estimated percentage of completion is based on expenditures by the County to date in relation to total estimated expenditures, which have provided by County management.

Charlton County, Georgia
2008 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2010

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Courthouse Complex:					
Renovations and expansion	$ 3,000,000	$ -	$ 1,393	$ 1,393	0.05%
Better and improvements of equipment and facilities of the Charlton Memorial Hospital, to include possible purchase of supplies and equipment.	150,000	83,994	75,000	158,994	106.00%
Better and improvements to the emergency medical service by the purchase of an ambulance	150,000	150,000	-	150,000	100.00%
Better and improvements to the Sheriff's Department by the purchase of new law enforcement vehicles	300,000	-	138,593	138,593	46.20%
Betterment and improvements of Equipment and Resources of the Fire Departments to include possible purchase of supplies and equipment.	300,000	27,270	56,821	84,091	28.03%
Betterment and improvements of equipment and resources of the Public Works:					
New Trash Truck	100,000	100,000	-	100,000	100.00%
Road Equipment	300,000	29,740	204,501	234,241	78.08%
Paving of roads and street Improvements, betterments, and paving	2,000,000	-	-	-	0.00%

Charlton County, Georgia
2008 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2010

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Betterment and improvement of recreational facilities and equipment to include possible puchase of supplies and equipment.	200,000	-	2,852	2,852	1.43%
Betterment and improvements of equipment, resources roads, and drainage:					
Folkston	200,000	200,000	-	200,000	100.00%
Homeland	100,000	100,000	-	100,000	100.00%
Totals	$ 6,800,000	$ 691,004	$ 479,160	$ 1,170,164	

Note (1): Estimated percentage of completion is based on expenditures by the County to date in relation to total estimated expenditures, which have provided by County management.

FEDERAL PROGRAMS SECTION

Earl A. Lawson CERTIFIED PUBLIC ACCOUNTANT

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the County Commissioners
Charlton County, Georgia

I have audited the financial statements of Charlton County, Georgia as of and for the year ended December 31, 2010, and have issued my report thereon dated June 8, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. I did not audit the financial statements of the Charlton County Health Department. Those financial statements were audited by other auditors whose report thereon has been furnished to me and my opinions insofar as it relates to the amounts included for the Charlton County Health Department, is based on the report or the other auditors.

Internal Control Over Financial Reporting

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

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified no deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Chairman and County Commissioners, others within the entity, Georgia Department of Community Affairs, Department of Resources, Federal Emergency Management Agency, Georgia Emergency Management Agency, United States Department of Human Resouces Division of Aging Services Southeast Georgia Area Agency and other federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia
June 8, 2011

Charlton County, Georgia
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Grantors Numbers	Program Award Amount	(Deferred) Revenue or Cash Accrued	Receipts or Revenue Recognized	Disbursement Expenditures	(Deferred) Revenue or Cash Accrued
Department of Behavioral Helth and Developmental Disabilities:	93.959					
Disabilities and Adicitive Disease	93-09091031-99	27,548	-	27,548	27,548	-
Southeast Georgia Area Agency on Aging						
Congregate and Home Delivered Meals	AAA-2006-21	29,332	-	22,369	22,369	-
	TOTALS	$ 56,880	$ -	$ 49,917	$ 49,917	$ -

Charlton County, Georgia
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Grantors Numbers	Program Award Amount	(Deferred) Revenue or Cash Accrued	Receipts or Revenue Recognized	Disbursement Expenditures	(Deferred) Revenue or Cash Accrued

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Charlton County, Georgia and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Charlton County, Georgia
Department of Human Resources
Substance Abuse Prevention Grant
Grant 93-09091031-99
For the Year Ended December 31, 2010

					2010
Total Program Year Funds Allocated to Receipt	$ -	$ -	$ -	$ -	$ 27,548
Less: Total Program Year Funds Drawn Down by Recipient	-	-	-	-	27,548
Funds Available for Drawn Down for Program Year	$ -	$ -	$ -	$ -	$ -
Total Program Year Funds Available for Disposition	$ -	$ -	$ -	$ -	$ -
Total Program Year Funds Drawn Down by Recipient	-	-	-	-	27,548
Total Program Year Funds Available	-	-	-	-	27,548
Less: Funds Applied to Program Year Cost	-	-	-	-	27,548
Total Funds Applied	-	-	-	-	-
Total Program Funds Held by Recipient	$ -	$ -	$ -	$ -	$ 27,548
Total Program Year Funds Available for Disposition	$ -	$ -	$ -	$ -	$ 27,548

Charlton County, Georgia
Department of Human Resources
Substance Abuse Prevention Grant
Grant 93-09091031-99
For the Year Ended December 31, 2010

Program Activity	Budgeted Costs	Actual Costs Paid	Actual Costs Obligates	Actual Costs Total	Questioned Costs
Salaries	$ 15,000	$ 15,000	$ -	$ 15,000	$ -
Supplies & Materials	12,548	12,548	-	12,548	-
	-	-	-	-	-
TOTAL	$ 27,548	$ 27,548	$ -	$ 27,548	$ -