CRAWFORD COUNTY, GEORGIA

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2010

CRAWFORD COUNTY, GEORGIA

FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of Crawford County, Georgia
Roberta, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of **Crawford County, Georgia** (the County) as of and for the year ended September 30, 2010, which collectively comprise Crawford County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Crawford County Health Department, which statements reflect total assets of $213,760 as of June 30, 2010, and total revenues of $317,289 for the year ended June 30, 2010. Those financial statements were audited by other auditors whose report thereon has been furnished to us and our opinion on the financial statements, insofar as it relates to the amounts included for the Crawford County Health Department, is based solely on the report of the other auditors.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2011 on our consideration of Crawford County Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 9) and the Schedule of Funding Progress on page 51 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. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crawford County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Crawford County, Georgia. The schedules of expenditures of special purpose local option sales tax proceeds is presented for the purpose of additional analysis as required by the Official Code of Georgia, Section 48-8-121, and is also not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the 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. The combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, 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 our opinion, are fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

Mauldin & Jenkins, LLC

Macon, Georgia
March 30, 2011

Management's Discussion and Analysis

As management of Crawford County, Georgia (the “County”), we offer readers of Crawford County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Financial Highlights

- The assets of Crawford County exceeded its liabilities at September 30, 2009, by $15,281,390 (net assets) and at September 30, 2010, by $15,652,483 (net assets). Of this amount, $1,071,227 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors, which is an increase in unrestricted net assets from the prior year of $159,701.

- At September 30, 2010, the County’s total fund balances as summarized for all governmental fund types on page 13 of the financial statements were $2,342,808. At September 30, 2009, the County’s total fund balances as summarized for all governmental funds were $2,627,522 a decrease of $284,714, or 10.8% from the 2009 fiscal year.

Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to Crawford County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Crawford County's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net assets and the statement of activities, which are described below.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two 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 is improving or deteriorating. Crawford County’s increase in its unrestricted net assets in 2009 and 2010 demonstrates the continued improvement in Crawford County’s financial position.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development.

The business-type activities of the County include water services. The government-wide financial statements include not only Crawford County itself (known as the primary government), but also the Crawford County

Department of Public Health and the Crawford County Development Authority. These are legally separate entities that are component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Crawford County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Crawford County maintains governmental funds to account for the following activities: General; Special Revenue (Sheriff's Department Drug Fund, Jail Improvement, Drug Education, Law Library, Revolving Loan, Transit, Crime Victim, and Jail Concessions) and Capital Projects (SPLOST Road, SPLOST Sheriff, Courthouse Settlement Fund, SPLOST Bond Project Fund, Commissioners' SPLOST, and SPLOST City Fund). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and SPLOST Bond Project Fund, which are both considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Crawford County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements.

Proprietary funds. Crawford County uses an enterprise fund, also known as the business-type function, to account for the Crawford County Water Fund. The proprietary funds are reflected in the business-type activities of the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Crawford County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Crawford County, assets exceed liabilities by $15,281,390 at the close of the 2009 fiscal year and by $15,652,483 at the close of the 2010 fiscal year, an increase of $371,093 or 2.43%. Of the $15,281,390, $8,889,393 resulted from County's governmental activities and $6,391,997 resulted from the County's business-type activities in 2009. In comparison, for fiscal year 2010, of the $15,652,483, $8,988,829 resulted from the County's governmental activities and $6,663,654 resulted from the County's business-type activities.

By far, the largest portion of the County's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Crawford County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Current and other assets	$ 3,401,673	$ 2,958,525	$ 169,432	$ 213,541	$ 3,571,105	$ 3,172,066
Capital assets	9,570,241	9,663,128	11,783,071	11,985,870	21,353,312	21,648,998
Total assets	12,971,914	12,621,653	11,952,503	12,199,411	24,924,417	24,821,064
Other liabilities	513,094	369,716	82,185	142,416	595,279	512,132
Long-term liabilities outstanding	3,569,427	3,263,108	5,478,321	5,393,341	9,047,748	8,656,449
Total liabilities	4,082,521	3,632,824	5,560,506	5,535,757	9,643,027	9,168,581
Net assets:						
Invested in capital assets, net of related debt	6,450,814	6,842,020	6,304,750	6,592,529	12,755,564	13,434,549
Restricted	1,614,300	1,146,707	-	-	1,614,300	1,146,707
Unrestricted	824,279	1,000,102	87,247	71,125	911,526	1,071,227
Total net assets	$ 8,889,393	$ 8,988,829	$ 6,391,997	$ 6,663,654	$ 15,281,390	$ 15,652,483

An additional portion of Crawford County's total net assets (10.56% in 2009 and 7.33% in 2010) represents resources that are subject to external restrictions on how they may be used. The remaining balance of total unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Crawford County is able to report positive balances in all categories of net assets, both for the government as a whole as well as for its separate governmental activities.

Governmental activities. Governmental activities increased the County's net assets by $343,849 in 2009 and by $99,436 in 2010. Key elements of this increase are as follows:

Crawford County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Revenues:						
Program revenues						
Charges for services	$ 936,533	$ 1,109,712	$ 259,553	$ 271,629	$ 1,196,086	$ 1,381,341
Operating grants and contributions	201,475	63,981	-	-	201,475	63,981
Capital grants and contributions	4,709	170,478	430,386	436,801	435,095	607,279
General revenues:						
Property taxes	4,039,562	4,299,516	-	-	4,039,562	4,299,516
Sales taxes	960,437	1,025,434	-	-	960,437	1,025,434
Other taxes	629,035	617,716	-	-	629,035	617,716
Unrestricted investment earnings	30,240	8,781	227	72	30,467	8,853
Miscellaneous	363,289	181,135	6,055	1,267	369,344	182,402
Total revenues	7,165,280	7,476,753	696,221	709,769	7,861,501	8,186,522
Expenses:						
General government	2,051,873	2,198,128	-	-	2,051,873	2,198,128
Judicial	737,872	703,617	-	-	737,872	703,617
Public safety	1,674,068	1,797,572	-	-	1,674,068	1,797,572
Public works	1,751,507	2,134,491	-	-	1,751,507	2,134,491
Health and welfare	131,070	150,577	-	-	131,070	150,577
Culture and recreation	64,082	51,180	-	-	64,082	51,180
Housing and community development	128,771	97,679	-	-	128,771	97,679
Interest on long-term debt	57,497	10,961	-	-	57,497	10,961
Water	-	-	549,551	671,224	549,551	671,224
Total expenses	6,596,740	7,144,205	549,551	671,224	7,146,291	7,815,429
Change in net assets before transfers	568,540	332,548	146,670	38,545	715,210	371,093
Transfers	(224,691)	(233,112)	224,691	233,112	-	-
Change in net assets	343,849	99,436	371,361	271,657	715,210	371,093
Net assets, beginning	8,545,544	8,889,393	6,020,636	6,391,997	14,566,180	15,281,390
Net assets, ending	$ 8,889,393	$ 8,988,829	$ 6,391,997	$ 6,663,654	$ 15,281,390	$ 15,652,483

Financial Analysis of the Government's Funds

As noted earlier, Crawford County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Crawford County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the 2010 fiscal year, the County's governmental funds reported combined ending fund balances of $2,342,808, a decrease of $284,714 in comparison with the prior year. Specifically, unreserved general fund balance increased $233,616; unreserved special revenue funds increased by $44,990; and unreserved fund balance in the capital project funds decreased $507,777. Approximately 95.1% of the combined fund balance constitutes unreserved fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Crawford County. At the end of the current fiscal year, total fund balance reached $634,635 of which all is unreserved with the exception of $115,476, which is reserved for prepaid items. The fund balance of the County's total general fund increased by $175,645 during fiscal year 2010. The County's revenues collected in 2010 exceeded the final budget by $346,022. The County's expenditures were greater than the final budget by $26,401. Individual revenue items with larger variances included intergovernmental revenue of $173,391, fines and forfeitures of $65,209, and other miscellaneous revenue of $97,196. Individual departments with the largest savings in expenditures (no budget deficits) include: Judicial, $36,950; Culture and Recreation, $42,635; and Housing and Community Development, $18,343. General Government and Public Works expenditures exceeded the budget by $103,120 and $39,935, respectively. When revenues and expenditures are combined with transfers in to the general fund ($128,341) and transfers out of the general fund ($355,712), the net result is the increase of $175,645.

The Capital Project Funds account for the financial resources provided from the 2004 and 2009 one percent Special Purpose Local Option Sales Tax (SPLOST). The resources from the 2004 SPLOST issuance must be used for improvements to parks and recreation facilities, public safety (Sheriff and Fire) equipment and facilities, construction of a new courthouse complex, roads and bridges, and patrol cars. The resources from the 2009 SPLOST issuance must be used for roads, streets, and bridges, a new government facility, public safety facilities, recreation facilities and capital equipment, courthouse improvements, economic and community development projects, water/wastewater improvements for the City or Roberta, and public safety facilities and equipment for the City or Roberta. At the end of the 2010 fiscal year, the non major Capital Project funds (SPLOST Sheriff, SPLOST Road, Commissioners' SPLOST, SPLOST City Fund, and the Courthouse Settlement Fund) had a combined fund balance of $305,143. The SPLOST Bond Project fund had a fund balance of $841,564 at the end of fiscal year 2010. All activities of the 2004 SPLOST and the 2009 SPLOST are reported between the above mentioned funds. Both proceeds from sales tax collections and capital expenditures are reported between the capital projects funds.

The project length budget for the 2004 SPLOST is $4,400,000. The financial resources must be used for funding the following capital outlay projects: EMS agency, public safety, and fire department facilities and improvements; EMS agency, public safety, and fire department capital equipment; construction of a new Courthouse complex; capital outlay expenditures for the County recreation facility; and road, street, and bridge purposes, including the purchase of road maintenance equipment for Crawford County. The project length budget for the 2009 SPLOST is $4,676,000. The financial resources must be used for the funding the following capital outlay projects: roads, street, and bridges, construction of a new government facility, purchase of public safety facilities and equipment, construction of recreation facilities and capital equipment, courthouse improvements, economic and community development projects, water/wastewater projects for the City of Roberta, and public safety equipment and facilities for the City of Roberta.

Proprietary funds. Crawford County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The County's only proprietary fund types are enterprise funds.

For the year ended September 30, 2010, the proprietary fund indicates total net assets of $6,663,654. This is an increase in total net assets for the proprietary funds in the amount of $271,657. Capital Contributions of $436,801 in the Water Fund were received from the U.S. Department of Housing and Urban Development (HUD) via a Community Development Block Grant (CDBG) to fund water system improvements in certain areas of the County (portions of Boy Scout Road and Berlyn Road).

Crawford County
Enterprise Net Operating Loss,
Nonoperating Expenses and Transfers

	2009	2010
Net operating loss:		
Water Fund	$ (200,469)	$ (170,748)
Total net operating loss	(200,469)	(170,748)
Nonoperating expenses	(83,247)	(227,508)
Loss before transfers and contributions	(283,716)	(398,256)
Capital Contributions	430,386	436,801
Transfers in	224,691	233,112
Changes in net assets	$ 371,361	$ 271,657

Capital Asset and Debt Administration

Capital assets. Crawford County's investment in capital assets for its governmental activities as of September 30, 2010 increased $92,887 to $9,663,128 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress (several roads under governmental activities and the water system improvement project under business-type activities) buildings and improvements, machinery and equipment, vehicles, land improvements, and roads, streets and bridges.

Crawford County's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Land	$ 565,242	$ 552,553	$ 26,000	$ 26,000	$ 591,242	$ 578,553
Construction in progress	109,197	63,242	10,350	446,129	119,547	509,371
Buildings and improvements	3,522,581	3,436,820	47,351	43,969	3,569,932	3,480,789
Machinery and equipment	706,224	985,056	98,980	84,999	805,204	1,070,055
Vehicles	991,754	935,371	45,557	34,168	1,037,311	969,539
Infrastructure	3,568,281	3,489,277	11,554,833	11,350,605	15,123,114	14,839,882
Land improvements	106,962	200,809	-		106,962	200,809
Total	$ 9,570,241	$ 9,663,128	$ 11,783,071	$ 11,985,870	$ 21,353,312	$ 21,648,998

Major projects in 2010 included the following:

- Began construction of water system improvement project funded with a CDBG grant award from the U.S Department of HUD. Project area includes parts of Boy Scout Road and Berlyn Road;
- Installation of five (5) early warning weather alert sirens;
- Resurfacing projects conducted on various County roads;
- Completion of renovation/repairs to the Courthouse; and
- Widen, drain, and graded one (1) mile of Dent Road in preparation of paving during 2011. Dent Road was included in construction in progress for governmental activities as of September 30, 2010.

Long-term debt. At the end of the current fiscal year, Crawford County had total outstanding debt of $8,656,449 of which $5,393,341 is from proprietary funds (water).

- Capital leases are used to finance new equipment primarily in the road department;
- Crawford County closed its landfill on Fairplay Hill Road in prior years. Federal and state laws require maintenance and monitoring of the landfill for a period of thirty years. The County has seventeen years of monitoring remaining. The costs of monitoring have been estimated based on what it would cost to perform all postclosure care in 2010. However, the actual cost may be higher due to inflation, changes in technology, or changes in laws.

Crawford County's Long-term Debt

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities:					
General obligation bonds	$ 2,610,000	$ -	$ 360,000	$ 2,250,000	$ 420,000
Notes payable	296,209	-	46,006	250,203	124,648
Capital leases	213,218	316,975	209,288	320,905	33,706
Landfill postclosure	450,000	17,000	25,000	442,000	26,000
	$ 3,569,427	$ 333,975	$ 640,294	$ 3,263,108	$ 604,354
Business-type activities:					
Revenue bonds	$ 5,178,395	$ -	$ 64,757	$ 5,113,638	$ 67,460
Notes payable	299,926	-	20,223	279,703	21,180
Total	$ 5,478,321	$ -	$ 84,980	$ 5,393,341	$ 88,640

Economic Factors

- The unemployment rate for Crawford County is at 10.6% which is higher than the Middle Georgia rate of 10.2%% and the State of Georgia rate of 10.2%. (Unemployment rate per the County Labor Force Estimates from the Georgia Department of Labor website: www.dol.state.ga.us/).

Requests for Information

This financial report is designed to provide a general overview of Crawford County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Crawford County Board of Commissioners' Office, Crawford County, Georgia, Post Office Box 1059, Roberta, Georgia 31078.

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CRAWFORD COUNTY, GEORGIA

STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

	Primary Government			Component Units	
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Crawford County Development Authority**	**Crawford County Health Department**
Cash and cash equivalents	$ 2,116,343	$ 22,837	$ 2,139,180	$ 59,929	$ 208,665
Investments	29,157	-	29,157	-	-
Prepaid items	-	4,440	4,440	-	-
Taxes receivable	218,320	-	218,320	-	-
Accounts receivable, net of allowances	19,835	28,703	48,538	4,400	4,848
Grants receivable	-	78,352	78,352	-	-
Notes receivable	238,399	-	238,399	360,824	-
Due from other governments	143,392	-	143,392	-	-
Internal balances	10,000	(10,000)	-	-	-
Due from component unit	1,946	-	1,946	-	-
Restricted cash	-	89,209	89,209	-	-
Prepaid items	117,914	-	117,914	-	-
Deferred charges	63,219	-	63,219	-	-
Capital assets, nondepreciable	615,795	472,129	1,087,924	60,276	-
Capital assets, depreciable, net of accumulated depreciation	9,047,333	11,513,741	20,561,074	2,276,733	247
Total assets	12,621,653	12,199,411	24,821,064	2,762,162	213,760
LIABILITIES					
Accounts payable	147,265	82,596	229,861	9,228	9,712
Accrued liabilities	185,896	20,955	206,851	-	-
Other liabilities	1,474	-	1,474	-	-
Unearned revenues	326	-	326	14,454	-
Due to primary government	-	-	-	1,946	-
Customer deposits payable	-	4,762	4,762	-	-
Deferred grant revenue	-	34,103	34,103	-	-
Due to other governments	34,755	-	34,755	-	-
Capital leases due within one year	33,706	-	33,706	-	-
Capital leases due in more than one year	287,199	-	287,199	-	-
Notes payable due within one year	124,648	21,180	145,828	83,490	-
Notes payable due in more than one year	125,555	258,523	384,078	211,528	-
General obligation bonds payable due within one year	420,000	-	420,000	-	-
General obligation bonds payable due in more than one year	1,830,000	-	1,830,000	-	-
Revenue bonds payable due within one year	-	67,460	67,460	-	-
Revenue bonds payable due in more than one year	-	5,046,178	5,046,178	-	-
Landfill postclosure costs due within one year	26,000	-	26,000	-	-
Landfill postclosure costs due in more than a year	416,000	-	416,000	-	-
Compensated absences due within one year	-	-	-	-	2,286
Compensated absences due in more than one year	-	-	-	-	9,672
Total liabilities	3,632,824	5,535,757	9,168,581	320,646	21,670
NET ASSETS					
Investment in capital assets, net of related debt	6,842,020	6,592,529	13,434,549	2,041,991	247
Restricted, capital projects	1,146,707	-	1,146,707	-	-
Restricted, fee income	-	-	-	-	75,548
Unrestricted	1,000,102	71,125	1,071,227	399,525	116,295
Total net assets	$ 8,988,829	$ 6,663,654	$ 15,652,483	$ 2,441,516	$ 192,090

The accompanying notes are an integral part of these financial statements.

CRAWFORD COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 2,198,128	$ 76,751	$ -	$ -
Judicial	703,617	185,841	2,912	-
Public safety	1,797,572	84,585	-	156,020
Public works	2,134,491	748,730	-	-
Health and welfare	150,577	13,805	48,451	-
Culture and recreation	51,180	-	-	-
Housing and community development	97,679	-	12,618	14,458
Interest on long-term debt	10,961	-	-	-
Total governmental activities	7,144,205	1,109,712	63,981	170,478
Business-type activities:				
Water	671,224	271,629	-	436,801
Total business-type activities	671,224	271,629	-	436,801
Total primary government	$ 7,815,429	$ 1,381,341	$ 63,981	$ 607,279
Component units:				
Development Authority	$ 191,834	$ 125,081	$ 50,853	$ -
Health Department	237,178	159,283	157,649	-
Total component units	$ 429,012	$ 284,364	$ 208,502	$ -

General revenues:
- Property taxes
- Sales taxes
- Insurance premium tax
- Franchise taxes
- Alcoholic beverage taxes
- Unrestricted investment earnings
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning of year

Net assets, end of year

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Assets				
			Component Units	
Governmental Activities	Business-type Activities	Total	Crawford County Development Authority	Crawford County Health Department
$ (2,121,377)	$ -	$ (2,121,377)	$ -	$ -
(514,864)	-	(514,864)	-	-
(1,556,967)	-	(1,556,967)	-	-
(1,385,761)	-	(1,385,761)	-	-
(88,321)	-	(88,321)	-	-
(51,180)	-	(51,180)	-	-
(70,603)	-	(70,603)	-	-
(10,961)	-	(10,961)	-	-
(5,800,034)	-	(5,800,034)	-	-
-	37,206	37,206	-	-
-	37,206	37,206	-	-
(5,800,034)	37,206	(5,762,828)	-	-
			(15,900)	-
-	-	-	-	79,754
$ -	$ -	$ -	$ (15,900)	$ 79,754
4,299,516	-	4,299,516	-	-
1,025,434	-	1,025,434	-	-
572,773	-	572,773	-	-
5,432	-	5,432	-	-
39,511	-	39,511	-	-
8,781	72	8,853	19,429	357
181,135	1,267	182,402	5,711	-
(233,112)	233,112	-	-	-
5,899,470	234,451	6,133,921	25,140	357
99,436	271,657	371,093	9,240	80,111
8,889,393	6,391,997	15,281,390	2,432,276	111,979
$ 8,988,829	$ 6,663,654	$ 15,652,483	$ 2,441,516	$ 192,090

CRAWFORD COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

ASSETS	General	SPLOST Bond Project	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 674,966	$ 839,983	$ 601,394	$ 2,116,343
Investments	29,157	-	-	29,157
Taxes receivable	218,320	-	-	218,320
Accounts receivable, net	19,835	-	-	19,835
Note receivable	-	-	238,399	238,399
Due from other governments	65,730	-	77,662	143,392
Due from other funds	13,829	10,000	14,133	37,962
Due from component unit	1,946	-	-	1,946
Prepaid items	115,486	-	2,428	117,914
Total assets	$ 1,139,269	$ 849,983	$ 934,016	$ 2,923,268
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 138,688	$ 8,419	$ 158	$ 147,265
Accrued liabilities	156,417	-	2,432	158,849
Deferred revenue	206,700	-	4,929	211,629
Due to other governments	-	-	34,755	34,755
Due to other funds	2,819	-	25,143	27,962
Total liabilities	504,624	8,419	67,417	580,460
FUND BALANCES (DEFICITS)				
Fund balances:				
Reserved for prepaid items	115,486	-	2,428	117,914
Unreserved, reported in:				
General Fund	519,159	-	-	519,159
Special Revenue Funds	-	-	559,028	559,028
Capital Projects Funds	-	841,564	305,143	1,146,707
Total fund balances	634,645	841,564	866,599	2,342,808
Total liabilities and fund balances	$ 1,139,269	$ 849,983	$ 934,016	

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.	9,663,128
Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the funds.	211,303
Net pension obligation is not due and payable in the current period and, therefore, is not reported in the funds.	(1,474)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.	(3,226,936)
Net assets of governmental activities	$ 8,988,829

The accompanying notes are an integral part of these financial statements.

CRAWFORD COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	General	SPLOST Bond Project	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	$ 4,295,188	$ -	$ -	$ 4,295,188
Sales taxes	439,476	-	585,958	1,025,434
Other taxes	617,716	-	-	617,716
Licenses and permits	53,479	-	-	53,479
Intergovernmental revenue	173,391	-	61,068	234,459
Charges for services	952,367	-	11,572	963,939
Fines and forfeitures	65,209	-	27,085	92,294
Other miscellaneous revenue	171,636	691	17,589	189,916
Total revenues	6,768,462	691	703,272	7,472,425
Expenditures				
Current:				
General government	1,937,929	-	-	1,937,929
Judicial	637,228	-	2,400	639,628
Public safety	1,781,304	-	14,523	1,795,827
Public works	1,709,937	-	-	1,709,937
Health and welfare	58,284	-	82,477	140,761
Culture and recreation	39,208	-	-	39,208
Housing and community development	96,962	-	-	96,962
Intergovernmental	-	-	75,871	75,871
Debt service				
Principal	92,155	27,631	360,000	479,786
Interest	12,439	7,240	115,126	134,805
Capital outlay	-	760,840	29,448	790,288
Total expenditures	6,365,446	795,711	679,845	7,841,002
Excess (deficiency) of revenues over expenditures	403,016	(795,020)	23,427	(368,577)
Other financing sources (uses):				
Issuance of capital lease	-	316,975	-	316,975
Transfers in	128,341	-	119,906	248,247
Transfers out	(355,712)	-	(125,647)	(481,359)
Total other financing sources (uses)	(227,371)	316,975	(5,741)	83,863
Net change in fund balances	175,645	(478,045)	17,686	(284,714)
Fund balance, beginning of year	459,000	1,319,609	848,913	2,627,522
Fund balance, end of year	$ 634,645	$ 841,564	$ 866,599	$ 2,342,808

The accompanying notes are an integral part of these financial statements.

CRAWFORD COUNTY, GEORGIA

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

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

Net change in fund balances - total governmental funds	$	(284,714)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		253,529
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(160,642)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		4,328
The issuance of long-term debt (e.g., notes, leases) 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. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		306,319
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(19,384)
	$	99,436

The accompanying notes are an integral part of these financial statements.

CRAWFORD COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	$ 4,269,500	$ 4,269,500	$ 4,295,188	$ 25,688
Sales taxes	425,000	425,000	439,476	14,476
Other taxes	623,500	623,500	617,716	(5,784)
Licenses and permits	52,000	52,000	53,479	1,479
Intergovernmental revenue	-	12,023	173,391	173,391
Charges for services	803,000	978,000	952,367	(25,633)
Fines and forfeitures	-	-	65,209	65,209
Other miscellaneous revenue	45,000	74,440	171,636	97,196
Total revenues	6,218,000	6,434,463	6,768,462	346,022
Expenditures:				
Current:				
General government:				
County administrator	35,010	35,010	48,610	(13,600)
County commission	873,529	878,529	1,011,899	(133,370)
Grounds maintenance	234,818	234,818	212,235	22,583
Elections	91,808	91,808	72,540	19,268
Planning and zoning	100,283	100,283	100,345	(62)
Tax assessors	306,120	306,120	307,568	(1,448)
Tax commissioner	188,241	188,241	184,732	3,509
Total general government	1,829,809	1,834,809	1,937,929	(103,120)
Judicial:				
District attorney	3,650	3,650	4,211	(561)
Magistrate court	145,129	145,129	142,294	2,835
Probate court	105,912	105,912	103,389	2,523
Superior court	221,755	221,755	241,024	(19,269)
Clerk of superior court	197,732	197,732	146,310	51,422
Total judicial	674,178	674,178	637,228	36,950
Public safety:				
Coroner	34,084	34,084	33,474	610
Fire department	108,997	125,757	159,942	(34,185)
Emergency management	12,554	17,554	15,241	2,313
Jail	451,880	451,880	446,362	5,518
Dispatcher	293,355	293,355	296,210	(2,855)
Sheriff	824,460	844,163	830,075	14,088
Total public safety	1,725,330	1,766,793	1,781,304	(14,511)
Public works:				
Roads	662,259	837,259	863,335	(26,076)
Shop	258,243	258,243	290,316	(32,073)
Waste collection	523,000	523,000	511,437	11,563
Waste disposal	51,500	51,500	44,849	6,651
Total public works	1,495,002	1,670,002	1,709,937	(39,935)

(Continued)

CRAWFORD COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued):				
Current (Continued):				
Health and welfare:				
Health and welfare	$ 51,271	51,271	$ 51,071	$ 200
Older Americans Council	2,502	2,502	2,957	(455)
Welfare	4,256	4,256	4,256	-
Total health and welfare	58,029	58,029	58,284	(255)
Culture and recreation:				
Recreation	53,426	53,426	10,779	42,647
Libraries	28,417	28,417	28,429	(12)
Total culture and recreation	81,843	81,843	39,208	42,635
Housing and community development:				
Conservation - agricultural resources	60,521	60,521	44,971	15,550
Conservation	23,903	23,903	23,400	503
Community service	20,481	20,481	18,191	2,290
Development authority	10,400	10,400	10,400	-
Total housing and community development	115,305	115,305	96,962	18,343
Debt service:				
Principal	130,236	130,236	92,155	38,081
Interest	7,850	7,850	12,439	(4,589)
Total debt service	138,086	138,086	104,594	33,492
Total expenditures	6,117,582	6,339,045	6,365,446	(26,401)
Excess (deficiency) of revenues over (under) expenditures	100,418	95,418	403,016	307,598
Other financing sources (uses):				
Transfers in	-	-	128,341	128,341
Transfers out	-	-	(355,712)	(355,712)
Total other financing sources (uses)	-	-	(227,371)	(227,371)
Net change in fund balances	100,418	95,418	175,645	80,227
Fund balance, beginning of year	445,862	445,862	459,000	13,138
Fund balance, end of year	$ 546,280	$ 541,280	$ 634,645	$ 93,365

The accompanying notes are an integral part of these financial statements.

CRAWFORD COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUND
SEPTEMBER 30, 2010

ASSETS	Water Fund
CURRENT ASSETS	
Cash	$ 22,837
Restricted cash	89,209
Grants receivable	78,352
Accounts receivable, net of allowance for uncollectible accounts	28,703
Prepaid items	4,440
Total current assets	223,541
CAPITAL ASSETS	
Nondepreciable	472,129
Depreciable, net of accumulated depreciation	11,513,741
Total capital assets	11,985,870
Total assets	12,209,411
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	82,596
Accrued liabilities	3,877
Accrued interest	17,078
Customer deposits payable	4,762
Deferred revenue	34,103
Due to other funds	10,000
Current maturities of long term debt	88,640
Total current liabilities	241,056
LONG-TERM LIABILITIES	
Long-term debt, net of current portion	5,304,701
Total long-term liabilities	5,304,701
Total liabilities	5,545,757
NET ASSETS	
Invested in capital assets, net of related debt	6,592,529
Unrestricted	71,125
Total net assets	$ 6,663,654

The accompanying notes are an integral part of these financial statements.

CRAWFORD COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	Water Fund
OPERATING REVENUES	
Charges for services:	
Water sales	$ 271,629
Total operating revenues	271,629
OPERATING EXPENSES	
Cost of sales and services	100,662
General and administrative	108,735
Depreciation	232,980
Total operating expenses	442,377
Operating loss	(170,748)
NONOPERATING INCOME (EXPENSE)	
Other income	1,267
Interest income	72
Interest expense	(228,847)
Total nonoperating income (expense)	(227,508)
Loss before contributions and transfers	(398,256)
CAPITAL CONTRIBUTIONS	436,801
TRANSFERS IN	311,677
TRANSFERS OUT	(78,565)
Change in net assets	271,657
NET ASSETS, beginning of year	6,391,997
NET ASSETS, end of year	$ 6,663,654

The accompanying notes are an integral part of these financial statements.

CRAWFORD COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 267,422
Payments to employees	(82,444)
Payments to suppliers for goods and services provided	(131,456)
Net cash provided by operating activities	53,522
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Other income	1,267
Transfers in	311,677
Transfers out	(78,565)
Net cash provided by noncapital financing activities	234,379
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(373,690)
Principal payments on long-term debt	(84,980)
Interest payments on long-term debt	(230,179)
Capital grant proceeds	435,764
Net cash used in capital and related financing activities	(253,085)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	72
Net cash provided by investing activities	72
Net increase in cash	34,888
Cash, beginning of year	77,158
Cash, end of year	$ 112,046
Classified as:	
Cash	$ 22,837
Restricted cash	89,209
	$ 112,046
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	$ (170,748)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	232,980
Increase in accounts receivable	(4,994)
Increase in prepaid items	(4,440)
Decrease in accrued liabilities	(63)
Increase in customer deposits payable	787
Net cash provided by operating activities	$ 53,522

The accompanying notes are an integral part of these financial statements.

CRAWFORD COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2010

ASSETS		Agency Funds
Cash	$	261,257
Investments		77,654
Taxes receivable		224,493
Due from others		87
Total assets	$	563,491
LIABILITIES		
Funds held in escrow	$	247,339
Uncollected taxes		224,493
Due to others		91,659
Total liabilities	$	563,491

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Crawford County, Georgia (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. The Reporting Entity

Crawford County is a political subdivision of the State of Georgia. It is governed by an elected board of five county commissioners. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The discretely presented component units are reported in separate columns in the combined financial statements to emphasize that they are legally separate from the primary government. The component units of the County are the Development Authority of Crawford County and the Crawford County Health Department.

Development Authority of Crawford County

The members of the governing board of the Development Authority of Crawford County (the Development Authority) are appointed by the Board of Commissioners of Crawford County. Although the County does not have the authority to approve or modify the budget of the Development Authority, the County provides financial support to the Development Authority. Separate financial statements are not prepared for the Development Authority of Crawford County.

Crawford County Health Department

The Crawford County Board of Commissioners appoints three members of the Crawford County Health Department (the Health Department) Board of Directors. Also, the Chairman of the County Board of Commissioners is a member of the Health Department Board of Directors. Therefore, the Crawford County Board of Commissioners is responsible for four of the seven positions on the Health Department Board of Directors. Complete financial statements for the Crawford County Health Department as of the fiscal year ending June 30, 2010 may be obtained at the Health Department's administrative office in Roberta, Georgia.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Government-wide financial statements do not provide information by fund or account group, but distinguish between the County's governmental activities and business-type activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

C. Measurement Focus and Basis of Accounting

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

Property taxes, sales tax, intergovernmental grants, and investment income 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.

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis which includes an analytical overview of the County's financial activity.

The County reports the following major governmental funds:

The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***SPLOST Bond Project Fund*** is a capital projects fund used to account for capital projects to be constructed with proceeds from general obligation bonds. Such bonds are to be repaid with proceeds from the 2009 SPLOST issuance.

The County reports the following major proprietary fund:

The ***Water Fund*** is an enterprise fund used to account for the provision of water services to citizens of Crawford County. Activities of the fund include water administration, operations, billing and collections.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***capital project funds*** account for the acquisition or construction of capital facilities.

The ***agency funds*** are used to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The County has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash, and Cash Equivalents

The County and its discretely presented component units' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

E. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statement of net assets. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statement of net assets as "internal balances." In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds."

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the County chose to include all such items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to acquisition year or estimated acquisition year).

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the County during the current fiscal year was $228,847. For the fiscal year ending September 30, 2010, there were no ongoing projects financed with loan funds. Therefore, none of the interest paid was capitalized.

Capital assets of the primary government and each discretely presented component unit are depreciated using the straight line method over the following useful lives:

Asset Category	Years
Land improvements	15-20
Buildings and improvements	20-60
Equipment	5-20
Vehicles	5-20
Infrastructure	30-60

H. Long-Term Obligations

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused personal hours that the employee may use for sickness and vacation. Vacation hours must be used by the end of the fiscal year, as they do not vest. There is no liability for unpaid sick leave or vacation leave, as the County does not have a policy to pay any amounts when employees separate from service with the County whether it be through termination or voluntary resignation. Instead, the amount earned but unused can be added towards retirement (i.e., employee can retire early and receive a salary for time accrued).

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $3,226,936 difference are as follows:

General obligation bond payable	$	2,250,000
Note payable		250,203
Capital leases payable		320,905
Landfill postclosure costs		442,000
Accrued interest		27,047
Deferred charges		(63,219)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activites*	$	3,226,936

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this $253,529 difference are as follows:

Depreciation expense	$	(604,236)
Capital outlay		857,765
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	253,529

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." The details of this ($160,642) difference are as follows:

Book value of capital assets sold	$	(160,642)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(160,642)

Another element of that reconciliation explains that "The 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. Neither transaction, however, has any effect on net assets." The details of this $306,319 difference are as follows:

Issuance of capital lease	$	(316,975)
Landfill postclosure cost decrease		8,000
Retirement of capital lease via asset trade-in		135,508
Principal retirement of long-term debt		479,786
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	306,319

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this ($19,384) difference are as follows:

Accrued interest	$	12,814
Net pension obligation		9
Amortization of bond issuance costs		(32,207)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(19,384)

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. After preparation of the departmental budgets by the department heads and the County Manager, each department head formally presents the budget to the Board of Commissioners. The Board of Commissioners reviews each budget at this time.

2. After review of each departmental budget and revisions made by the department heads, the budget is adopted by the Board of Commissioners.

3. Formal budgetary integration is the management tool used as a control device during the year for the General Fund. The legal level of budgetary control is the department level.

4. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is legally adopted for the General Fund. For the year ended September 30, 2010, annual budgets were not adopted for the Law Library Fund, the Sheriff's Department Drug Fund, the Drug Education Fund, the Jail Fund, the Transit System Fund, the Jail Concession (Commissary) Fund, the Revolving Loan Fund, or the Crime Victim Fund.

5. All appropriations lapse at fiscal year end.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by Crawford County.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

C. Excess of Expenditures Over Appropriations

For the year ended September 30, 2010, the following General Fund departments had excesses of actual expenditures over appropriations:

	Excess
County administrator	$ 13,600
County commission	133,370
Planning and zoning	62
Tax assessor	1,448
District attorney	561
Superior court	19,269
Fire department	34,185
Dispatcher	2,855
Roads	26,076
Shop	32,073
Older Americans Council	455
Libraries	12

These overexpenditures were funded by greater than anticipated revenues or available fund balance.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law (Georgia Fund 1); repurchase agreements; and obligations of other political subdivisions of the State of Georgia. At September 30, 2010, the County's only investments were in certificates of deposit.

At September 30, 2010, the County's investments in certificates of deposit were as follows:

Investment	Maturity	Amount
Certificates of deposit-Agency Funds	91 days	$ 77,654
Certificate of deposit-General Fund	12 months	29,157
		$ 106,811

Interest rate risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2010, all of the deposits of the County and its component units were fully collateralized in accordance with the state statutes.

NOTE 5. RECEIVABLES

Receivables at September 30, 2010, for the County's individual major funds are as follows:

	General Fund	Water Fund	Total
Receivables:			
Taxes	$ 218,320	$ -	$ 218,320
Accounts	60,145	39,288	99,433
	278,465	39,288	317,753
Less allowance for uncollectibles	(40,310)	(10,585)	(50,895)
Total receivables	$ 238,155	$ 28,703	$ 266,858

The County's property taxes were levied on the assessed values of all real and personal property with utilities, including mobile homes and motor vehicles, located in the County.

The tax billing cycle for fiscal year 2010 is as follows:

Lien date	October 5, 2010
Levy date	October 20, 2009
Payment due date	December 20, 2009
Delinquency date	December 21, 2009
Collection Dates	October 20, 2009 through December 20, 2009

NOTE 6. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at September 30, 2010, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Water Fund	Other Nonmajor Funds	Total
Receivables:				
Federal	$ -	$ 78,352	$ 12,837	$ 91,189
State	47,515	-	63,347	110,862
Other	18,215	-	1,478	19,693
Total receivables	$ 65,730	$ 78,352	$ 77,662	$ 221,744

NOTE 7. CAPITAL ASSETS

A. Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 565,242	$ -	$ (12,689)	$ 552,553
Construction in progress	109,197	52,161	(98,116)	63,242
Total	674,439	52,161	(110,805)	615,795
Capital assets, being depreciated:				
Buildings and improvements	4,433,682	-	-	4,433,682
Equipment	1,109,216	596,460	(214,928)	1,490,748
Vehicles	2,591,599	90,249	(23,745)	2,658,103
Infrastructure	6,858,076	104,003	-	6,962,079
Land improvements	399,221	113,008	-	512,229
Total	15,391,794	903,720	(238,673)	16,056,841
Less accumulated depreciation for:				
Buildings and improvements	(911,101)	(85,761)	-	(996,862)
Equipment	(402,992)	(188,671)	85,971	(505,692)
Vehicles	(1,599,845)	(127,636)	4,749	(1,722,732)
Infrastructure	(3,289,795)	(183,007)	-	(3,472,802)
Land improvements	(292,259)	(19,161)	-	(311,420)
Total	(6,495,992)	(604,236)	90,720	(7,009,508)
Total capital assets, being depreciated, net	8,895,802	299,484	(147,953)	9,047,333
Governmental activities capital assets, net	$ 9,570,241	$ 351,645	$ (258,758)	$ 9,663,128

NOTE 7. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 26,000	$ -	$ -	$ 26,000
Construction in progress	10,350	435,779	-	446,129
Total	36,350	435,779	-	472,129
Capital assets, being depreciated:				
Buildings and improvements	50,733	-	-	50,733
Vehicles	78,476	-	-	78,476
Equipment	113,728	-	-	113,728
Water improvements	12,253,744	-	-	12,253,744
Total	12,496,681	-	-	12,496,681
Less accumulated depreciation for:				
Buildings and improvements	(3,382)	(3,382)	-	(6,764)
Vehicles	(32,919)	(11,389)	-	(44,308)
Equipment	(14,748)	(13,981)	-	(28,729)
Water improvements	(698,911)	(204,228)	-	(903,139)
Total	(749,960)	(232,980)	-	(982,940)
Total capital assets, being depreciated, net	11,746,721	(232,980)	-	11,513,741
Business-type activities capital assets, net	$ 11,783,071	$ 202,799	$ -	$ 11,985,870

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

Governmental activities:	
General government	$ 15,966
Judicial	51,840
Public safety	171,304
Public works	335,543
Health and welfare	9,816
Culture and recreation	19,050
Housing and community development	717
Total depreciation expense - governmental activities	$ 604,236
Business-type activities:	
Water department	$ 232,980
Total depreciation expense - business-type activities	$ 232,980

NOTE 7. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 60,276	$ -	$ -	$ 60,276
Total	60,276	-	-	60,276
Capital assets, being depreciated:				
Land improvements	49,929	-	-	49,929
Buildings	3,037,337	-	-	3,037,337
Buildings improvements	-	19,341	-	19,341
Infrastructure - Roads	5,575	-	-	5,575
Total	3,092,841	19,341	-	3,112,182
Less accumulated depreciation for:				
Land improvements	(42,220)	(2,495)	-	(44,715)
Buildings	(734,215)	(50,622)	-	(784,837)
Buildings improvements	-	(322)	-	(322)
Infrastructure - Roads	(5,575)	-	-	(5,575)
Total	(782,010)	(53,439)	-	(835,449)
Total capital assets, being depreciated, net	2,310,831	(34,098)	-	2,276,733
Total capital assets, net	$ 2,371,107	$ (34,098)	$ -	$ 2,337,009

C. Discretely Presented Component Unit – Department of Health

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Equipment	$ 27,042	-	$ -	$ 27,042
Total	27,042	-	-	27,042
Less accumulated depreciation for:				
Equipment	(26,320)	(475)	-	(26,795)
Total	(26,320)	(475)	-	(26,795)
Total capital assets, being depreciated, net	722	(475)	-	247
Total capital assets, net	$ 722	$ (475)	$ -	$ 247

NOTE 8. OPERATING LEASES

The County leased heavy equipment under an operating lease that expired on April 30, 2010. Total cost for the lease was $11,277 for the year ended September 30, 2010.

NOTE 9. LONG-TERM DEBT

The following is a summary of long-term debt activity for the fiscal year ended September 30, 2010.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 2,610,000	$ -	$ 360,000	$ 2,250,000	$ 420,000
Notes payable	296,209	-	46,006	250,203	124,648
Capital leases payable	213,218	316,975	209,288	320,905	33,706
Landfill	450,000	17,000	25,000	442,000	26,000
Governmental activities long-term liabilities	$ 3,569,427	$ 333,975	$ 640,294	$ 3,263,108	$ 604,354
Business-type activities:					
Notes payable	$ 299,926	$ -	$ 20,223	$ 279,703	$ 21,180
Revenue bonds payable	5,178,395	-	64,757	5,113,638	67,460
Business-type activities long-term liabilities	$ 5,478,321	$ -	$ 84,980	$ 5,393,341	$ 88,640
Component unit-Development Authority:					
Notes payable	$ 380,057	$ -	$ 85,039	$ 295,018	$ 83,490
Development Authority long-term liabilities	$ 380,057	$ -	$ 85,039	$ 295,018	$ 83,490
Component unit-Health Department					
Compensated absences	$ 16,002	$ 10,383	$ 14,427	$ 11,958	$ 2,286
Health Department long-term liabilities	$ 16,002	$ 10,383	$ 14,427	$ 11,958	$ 2,286

NOTE 9. LONG-TERM DEBT (CONTINUED)

For governmental activities, landfill postclosure care costs are generally liquidated by the General Fund.

Notes Payable. The following is a listing of notes payable of the County at September 30, 2010:

Governmental Activities		
$240,000 loan from the Georgia Environmental Facilities Authority for the purchase and upgrading of water lines for the County's water system, due in quarterly installments of $5,320, including interest at 3.95%, with final payment due May 1, 2018.	$	141,482
$170,000 loan from a local financial institution for the purchase of property for the County's dirt sales, due in quarterly installments of $11,528, including interest at 3.96%. A balloon payment in the amount of $109,142, including interest, is due on December 31, 2010, the maturity date of the loan. Loan was renewed on January 4, 2011 at a rate of 4.96%.		108,721
Total Governmental Activities	$	250,203
Business-Type Activities		
$363,776 loan from the Georgia Environmental Facilities Authority for the purchase and upgrading of water lines for the County's water system, due in quarterly installments of $8,455, including interest at 4.65%, with final payment due February 1, 2021.	$	279,703

Debt service requirements to maturity on the notes payable for governmental activities are as follows:

Year ending September 30,	Principal	Interest
2011	$ 124,648	$ 5,355
2012	16,566	4,716
2013	17,230	4,052
2014	17,921	3,361
2015	18,639	2,643
2016-2018	55,199	3,324
Total	$ 250,203	$ 23,451

NOTE 9. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued). Debt service requirements to maturity on the notes payable for business-type activities are as follows:

Year ending September 30,	Principal	Interest
2011	$ 21,180	$ 12,641
2012	22,182	11,638
2013	23,232	10,588
2014	24,331	9,489
2015	25,481	8,339
2016-2020	26,688	7,132
2021	136,609	15,580
Total	$ 279,703	$ 75,407

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of various vehicles and equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the dates of their inception. Total cost of assets under capital leases as of September 30, 2010 is $408,071, which consists of equipment, and is included in governmental activities on the statement of net assets.

The County's total capital lease debt service requirements to maturity are as follows:

Year ending September 30,	
2011	$ 44,814
2012	40,871
2013	40,871
2014	40,871
2015	198,171
Total minimum lease payments	365,598
Less amount representing interest	(44,693)
Present value of minimum lease payments	$ 320,905

NOTE 9. LONG-TERM DEBT (CONTINUED)

Revenue Bonds Payable. In February 2002, the County received $1,329,500 through the issuance of its Crawford County Water Revenue Bond (Series 2002A). Concurrently with the issuance of this Bond, the County issued its Crawford County Water Revenue Bond (Series 2002B), in the principal amount of $806,200. These bonds were used to provide funds needed to pay the cost, in part, of acquiring, constructing, and equipping a water system for the County.

In 2008, the County issued $3,227,200 in water revenue bonds to cover additional costs associated with Phase II of the water system project.

Revenue bonds outstanding at September 30, 2010, are as follows:

Description	Original Amount	Interest Rate	Due Date	Amount
Water system construction	$ 1,329,500	3.25%	2042	$ 1,198,127
Water system construction	806,200	4.50%	2042	743,843
Water system extensions	3,227,200	4.50%	2048	3,171,668
				$ 5,113,638

Debt service requirements to maturity on the revenue bonds payable are as follows:

Year ending September 30,	Principal	Interest
2011	$ 67,460	$ 213,880
2012	70,268	211,072
2013	73,195	208,145
2014	76,246	205,094
2015	79,428	201,912
2016-2020	449,819	956,881
2021-2025	552,396	854,304
2026-2030	678,919	727,781
2031-2035	835,085	571,615
2036-2040	1,028,057	378,731
2041-2045	838,638	169,502
2046-2048	364,127	18,821
Total	$ 5,113,638	$ 4,717,738

NOTE 9. LONG-TERM DEBT (CONTINUED)

General Obligation Bonds Payable. During the year ended September 30, 2009, the County issued general obligation bonds totaling $2,610,000. The bond proceeds are to be used to finance the acquisition and construction of various capital projects. Proceeds from the County's special purpose local option sales tax will be used to repay these bonds. General obligation bonds outstanding at September 30, 2010, are as follows.

Description	Original Amount	Interest Rate	Due Date	Outstanding Amount
Various construction projects within the County	$ 2,610,000	3.49%	2015	$ 2,250,000
				$ 2,250,000

Debt service requirements to maturity on the general obligation bonds payable are as follows:

Year ending September 30,	Principal	Interest
2011	$ 420,000	$ 78,525
2012	435,000	63,867
2013	450,000	48,686
2014	465,000	32,981
2015	480,000	16,752
Total	$ 2,250,000	$ 240,811

Postclosure Costs. State and Federal laws require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. As of September 30, 2010, 100% of the landfill capacity had been used and all closure costs have been incurred. The landfill has no remaining life without modification or expansion. Engineering studies estimate postclosure costs of approximately $442,000 over the remaining 17-year period. This estimated cost is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of September 30, 2010. However, actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Should any problems occur during the postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 9. LONG-TERM DEBT (CONTINUED)

Component Unit-Development Authority.

Conduit Debt. From time to time, the Development Authority issues revenue bonds and incurs notes payable, building and equipment acquisition notes payable, and construction loans payable to provide financial assistance to private-sector entities or other third parties for the acquisition and construction of industrial and commercial facilities. The bonds and notes are secured by the property financed and are payable solely from payments received on the underlying mortgage loans and lease agreements. Upon repayment of the bonds and notes payable, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance or notes payable. The Development Authority is not obligated in any manner for repayment of these bonds and notes payable.

Other Debt. During fiscal year 2007, the Development Authority borrowed $300,000 from the Crawford County Revolving Loan Fund. Proceeds were used to help finance the construction of a building for a lessee. The Development Authority receives monthly payments of $3,182 from the lessee and forwards the payments to the County for repayment of the loan from the County's Revolving Loan Fund. Both the note payable to the County's Revolving Loan Fund and the note receivable from the lessee have an interest rate of 5.00% and mature April 1, 2018. The outstanding balance on both the note payable and note receivable at September 30, 2010 is $238,399.

The Development Authority also borrowed $100,000 from a local financial institution in fiscal year 2007 to be used for construction of the building referred to above. The note renews annually in October of each year. During the fiscal year, the Development Authority received monthly payments from the lessee of $1,082, and remitted monthly payments of the same amount to the financial institution. The interest rate on the note receivable with the lessee was 8.00% and the interest rate on the note payable between the Development Authority and the financial institution was 3.96%. The outstanding balance on both the note payable and note receivable at September 30, 2010 is $56,615. Due to the differences in interest rates, the Development Authority will recoup their interest from the lessee when the loan with the financial institution is repaid; lessee will continue to pay the Development Authority which will be their interest earnings on the loan.

During fiscal year 2008, the Development Authority incurred a note payable from a local financial institution in the amount of $160,000 for construction of the Aramark building. Payments in the amount of $2,139 at an interest rate of 3.30% began in October of 2008. The interest rate was increased to 3.96% with the renewal in September 2009. The loan was paid in full during the fiscal year ending September 30, 2010.

NOTE 9. LONG-TERM DEBT (CONTINUED)

Component Unit-Development Authority (Continued).

Other Debt (Continued). Debt service requirements on the notes payable of the Development Authority are as follows:

Year ending September 30,	Principal	Interest
2011	$ 83,490	$ 11,310
2012	28,254	9,935
2013	29,694	8,490
2014	31,213	6,970
2015	32,810	5,373
2016-2018	89,557	5,900
Total	$ 295,018	$ 47,978

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2010, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 13,829
Nonmajor governmental funds	General Fund	2,819
SPLOST Bond Project Fund	Water Fund	10,000
Nonmajor governmental funds	Nonmajor governmental funds	11,314
		$ 37,962

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

Transfer In	Transfer Out	Amount
Nonmajor governmental funds	Nonmajor governmental funds	$ 75,871
General Fund	Nonmajor governmental funds	49,776
Nonmajor governmental funds	General Fund	44,035
Water Fund	General Fund	311,677
General Fund	Water Fund	78,565
		$ 559,924

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 11. DEFINED BENEFIT PENSION PLAN

Plan Description.

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

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. All full-time County employees are eligible to participate in the Plan after completing three years of service. The Plan, through execution of an 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 the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, including obligations to contribute to the Plan, as provided in section 19.03 of The ACCG Plan document. The County retains the authority to amend the adoption agreement, which defines the specific provisions of The Plan, as provided in Section 19.02 of The ACCG Plan document. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the state-wide Plan. That report may be obtained by contacting the GEBCorp at 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the plan.

Annual Pension Cost.

The County's annual pension cost and net pension obligation for the pension plan for the current year is as follows:

	January 1, 2009	January 1, 2010
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 99,358	$ 111,656
Interest on Net Pension Obligation	86	86
Amortization of Net Pension Obligation	(93)	(92)
Annual Pension Cost	$ 99,351	$ 111,650

	January 1, 2009	January 1, 2010
Derivation of Net Pension Obligation		
Net Pension Obligation, Beginning of Year	$ 1,496	$ 1,483
Annual Pension Cost for Fiscal Year	186,249	111,650
Actual Contributions to Plan for Fiscal Year	(186,262)	(111,659)
Increase (Decrease) in Net Pension Obligation	(13)	(9)
Net Pension Obligation, End of Year	$ 1,483	$ 1,474

Basis of Valuation	
Current Valuation Date	January 1, 2010
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.50%-7.00% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	25

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost. (Continued)

Trend Information for The Plan

Calendar Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/10	$ 111,650	$ 111,659	100 %	$ 1,474
1/1/09	99,351	99,358	100	1,483
1/1/08	86,898	86,904	100	1,496
1/1/07	59,251	59,258	100	1,503
1/1/06	73,225	59,307	81	(12,415)
1/1/05	90,617	98,040	108	(4,992)

Schedule of Funding Progress

Calendar Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2009	$ 1,488,280	$ 2,066,436	$ 578,156	72.0 %	$ 1,531,364	37.8 %

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010. For this year, the actuarial value of assets reflects a change to asset smoothing adopted by the ACCG Pension Plan and Board of Trustees.

NOTE 12. DEFINED CONTRIBUTION PLAN

The ACCG 401 (a) Defined Contribution Plan for Employees of Crawford County (the Plan) is a single employer defined contribution plan established and administered by ACCG-GEBCorp for substantially all of its full time employees. The Plan provides retirement benefits to participants and beneficiaries. Plan provisions and contribution requirements are established by ACCG-GEBCorp; however, they may be amended by the Crawford County Board of Commissioners within the limits set forth in Section 12.01 of the plan document. At September 30, 2010, there were 54 plan members.

Employees are not required to contribute to the Plan. The County contributes an amount equal to 50% of the amount contributed by the participant to the Crawford County Section 457 Deferred Compensation Plan, except that the County shall not match such participant's deferrals as provided in excess of 4% of the participant's compensation. The County's contribution for each employee is 100% vested after five (5) years of continuous service. For the fiscal year ending September 30, 2010, the County's contribution to the plan was $21,162. There were no employee contributions to the 401 (a) plan.

NOTE 13. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

As of the fiscal year ending September 30, 2010, the County purchases workers' compensation insurance coverage and health insurance coverage from private carriers. No reduction in insurance coverage has occurred since the previous year, and no settlements in excess of coverage have been paid in the past three years.

The County participates in the Association of County Commissioners of Georgia (ACCG) Interlocal Risk Management Agency Property and Liability Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

NOTE 13. RISK MANAGEMENT (CONTINUED)

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract. The fund is to pay all costs 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 coverages.

NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

Grant Contingencies

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet at September 30, 2010, the County has contractual commitments on uncompleted contracts of approximately $13,313.

NOTE 15. JOINT VENTURE

Under Georgia law, the County is a participating member of the Middle Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended September 30, 2010, the County paid $11,687 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia.

The RC 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 and obligations of an RC. Separate financial statements may be obtained from: Middle Georgia Regional Commission, 175 C Emery Highway, Macon, Georgia 31217.

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REQUIRED SUPPLEMENTARY INFORMATION

CRAWFORD COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

SEPTEMBER 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Value of Liabilities (B)	Unfunded / (Assets in Excess of) AAL (B) - (A)	Funded Ratio (A)/(B)	Covered Payroll (C)	Unfunded (Assets in Excess of) AAL as a Percentage of Covered Payroll Employees {(B) - (A)}/(C)
12/31/2009	$ 1,488,280	$ 2,066,436	$ 578,156	72.0%	$ 1,531,364	37.8%
12/31/2008	1,349,986	1,646,413	296,427	82.0%	945,969	31.3%
12/31/2007	1,380,052	1,433,941	53,889	96.2%	632,245	8.5%
12/31/2006	1,305,483	1,367,963	62,480	95.4%	698,051	9.0%
12/31/2005	1,228,205	1,498,220	270,015	82.0%	862,236	31.3%
12/31/2004	1,100,360	1,346,657	246,297	81.7%	863,807	28.5%

The assumptions used in the preparation of the above schedule are disclosed in Note 11 to the financial statements.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Law Library Fund – To account for costs of operating and maintaining the County Law Library. Financing is provided from a $2 charge added to and collected on all costs in civil and criminal cases.

Sheriff's Department Drug Fund – To account for monies deemed as forfeited property by courts to Crawford County from cases related to illegal drug activity.

Drug Education Fund – To account for fines collected as required by state law for drug abuse treatment and educational purposes.

Jail Fund – To account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

Transit System Fund – To account for the operations of the Crawford County Transit System. Financing is provided under an agreement with the Georgia Department of Transportation, operating transfers from the General Fund, and user fares.

Jail Concession Fund – To account for the operations of the jail inmate store.

Revolving Loan Fund – To account for the operations of the County's revolving loans. Original funding was provided by the Department of Housing and Urban Development through the State of Georgia's Department of Community Affairs.

Crime Victim Fund – To account for the resources received from the various courts of Crawford County for assistance to victims of crime.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Commissioners' SPLOST Fund – To account for revenues received from a special 1% sales tax (new SPLOST issuance) to be used to pay off the 2009 SPLOST general obligation bonds received during fiscal year 2009.

SPLOST City Fund – To account for revenues received from a special 1% sales tax (new SPLOST issuance) to be used for water/wastewater projects, public safety and equipment expenditures within the City of Roberta.

SPLOST Sheriff Fund – To account for revenues received from a special 1% sales tax (old SPLOST issuance) to be used for Sheriff capital projects and equipment.

Courthouse Settlement Fund – To account for revenues received from settlement of litigation with the construction company that built the courthouse. The funds will be utilized to make necessary structural repairs to the building.

SPLOST Road Fund – To account for revenues received from a special 1% sales tax (old SPLOST issuance) to be used for roads, streets, and bridges. In addition, grants from the Department of Transportation are also recorded in this fund.

CRAWFORD COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	Special Revenue Funds				
ASSETS	**Law Library**	**Sheriff's Department Drug Fund**	**Drug Education Fund**	**Jail**	**Transit System**
Cash and cash equivalents	$ 82,801	$ 13,644	$ 40,639	$ 19,568	$ -
Note receivable	-	-	-	-	-
Due from other governments	-	-	761	-	12,837
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	2,428
Total assets	$ 82,801	$ 13,644	$ 41,400	$ 19,568	$ 15,265
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ 6	$ 152
Accrued liabilities	-	-	-	-	2,432
Deferred revenue	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	13,829	-
Total liabilities	-	-	-	13,835	2,584
FUND BALANCES					
Reserved for prepaid items	-	-	-	-	2,428
Unreserved, undesignated	82,801	13,644	41,400	5,733	10,253
Total fund balances	82,801	13,644	41,400	5,733	12,681
Total liabilities and fund balances	$ 82,801	$ 13,644	$ 41,400	$ 19,568	$ 15,265

Special Revenue Funds			Capital Project Funds	
Jail Concession	Revolving Loan	Crime Victim Fund	Commissioners' SPLOST	SPLOST City Fund
$ 10,428	$ 99,575	$ 53,259	$ 220,469	$ 23,441
-	238,399	-	-	-
-	-	717	63,347	-
-	-	2,819	-	11,314
-	-	-	-	-
$ 10,428	$ 337,974	$ 56,795	$ 283,816	$ 34,755
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	4,929	-
-	-	-	-	34,755
-	-	-	11,314	-
-	-	-	16,243	34,755
-	-	-	-	-
10,428	337,974	56,795	267,573	-
10,428	337,974	56,795	267,573	-
$ 10,428	$ 337,974	$ 56,795	$ 283,816	$ 34,755

(Continued)

CRAWFORD COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

ASSETS	Capital Project Funds: SPLOST Sheriff	Capital Project Funds: Courthouse Settlement Fund	Capital Project Funds: SPLOST Roads	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 30,272	$ -	$ 7,298	$ 601,394
Note receivable	-	-	-	238,399
Due from other governments	-	-	-	77,662
Due from other funds	-	-	-	14,133
Prepaid items	-	-	-	2,428
Total assets	$ 30,272	$ -	$ 7,298	$ 934,016
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ 158
Accrued liabilities	-	-	-	2,432
Deferred revenue	-	-	-	4,929
Due to other governments	-	-	-	34,755
Due to other funds	-	-	-	25,143
Total liabilities	-	-	-	67,417
FUND BALANCES				
Reserved for prepaid items	-	-	-	2,428
Unreserved, undesignated	30,272	-	7,298	864,171
Total fund balances	30,272	-	7,298	866,599
Total liabilities and fund balances	$ 30,272	$ -	$ 7,298	$ 934,016

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CRAWFORD COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds				
	Law Library	Sheriff's Department Drug Fund	Drug Education Fund	Jail	Transit System
Revenues:					
Sales tax	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	1,283	-	44,384
Charges for services	-	-	-	-	7,048
Fines and forfeitures	5,476	-	2,149	14,852	-
Other revenues	122	1,696	140	59	13
Total revenues	5,598	1,696	3,572	14,911	51,445
Expenditures:					
Current:					
Judicial	2,400	-	-	-	-
Public safety	-	1,632	-	11,338	-
Health and welfare	-	-	949	-	76,871
Intergovernmental	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	2,400	1,632	949	11,338	76,871
Excess (deficiency) of revenues over expenditures	3,198	64	2,623	3,573	(25,426)
Other financing sources (uses):					
Transfers in	-	-	-	-	44,035
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	44,035
Net change in fund balances	3,198	64	2,623	3,573	18,609
Fund balances (deficits), beginning of year	79,603	13,580	38,777	2,160	(5,928)
Fund balances, end of year	$ 82,801	$ 13,644	$ 41,400	$ 5,733	$ 12,681

Special Revenue Funds			Capital Project Funds	
Jail Concession	Revolving Loan	Crime Victim Fund	Commissioners' SPLOST	SPLOST City Fund
$ -	$ -	$ -	$ 582,468	$ -
-	12,618	2,783	-	-
4,524	-	-	-	-
-	-	4,608	-	-
-	846	182	1,015	-
4,524	13,464	7,573	583,483	-
-	-	-	-	-
1,553	-	-	-	-
-	-	4,657	-	-
-	-	-	-	75,871
-	-	-	360,000	-
-	-	-	115,126	-
-	-	-	-	-
1,553	-	4,657	475,126	75,871
2,971	13,464	2,916	108,357	(75,871)
-	-	-	-	75,871
-	-	-	(75,871)	-
-	-	-	(75,871)	75,871
2,971	13,464	2,916	32,486	-
7,457	324,510	53,879	235,087	-
$ 10,428	$ 337,974	$ 56,795	$ 267,573	$ -

(Continued)

CRAWFORD COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2010

	Capital Project Funds			Total Nonmajor Governmental Funds
	SPLOST Sheriff	Courthouse Settlement Fund	SPLOST Roads	
Revenues:				
Sales tax	$ -	$ -	$ 3,490	$ 585,958
Intergovernmental	-	-	-	61,068
Charges for services	-	-	-	11,572
Fines and forfeitures	-	-	-	27,085
Other revenues	116	3,378	10,022	17,589
Total revenues	116	3,378	13,512	703,272
Expenditures:				
Current:				
Judicial	-	-	-	2,400
Public safety	-	-	-	14,523
Health and welfare	-	-	-	82,477
Intergovernmental	-	-	-	75,871
Debt service:				
Principal	-	-	-	360,000
Interest	-	-	-	115,126
Capital outlay	29,448	-	-	29,448
Total expenditures	29,448	-	-	679,845
Excess (deficiency) of revenues over expenditures	(29,332)	3,378	13,512	23,427
Other financing sources (uses):				
Transfers in	-	-	-	119,906
Transfers out	-	(49,776)	-	(125,647)
Total other financing sources (uses)	-	(49,776)	-	(5,741)
Net change in fund balances	(29,332)	(46,398)	13,512	17,686
Fund balances (deficits), beginning of year	59,604	46,398	(6,214)	848,913
Fund balances, end of year	$ 30,272	$ -	$ 7,298	$ 866,599

CRAWFORD COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2004 ISSUE FOR THE YEAR ENDED SEPTEMBER 30, 2010

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Roads, Streets and Bridges	$ 2,000,000	$ 2,000,000	$ 2,117,970	$ -	$ 2,117,970
Courthouse	350,000	350,000	113,696	-	113,696
Recreation	50,000	50,000	32,361	-	32,361
EMS facilities and equipment	666,666	666,666	191,034	-	191,034
Fire facilities and equipment	666,667	666,667	559,329	-	559,329
Sheriff facilities and equipment	666,667	666,667	640,231	29,448	669,679
Totals	$ 4,400,000	$ 4,400,000	$ 3,654,621	$ 29,448	$ 3,684,069

CRAWFORD COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2009 ISSUE FOR THE YEAR ENDED SEPTEMBER 30, 2010

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Roads, Streets and Bridges	$ 1,870,400	$ 1,870,400	$ 459,285	$ 615,191	$ 1,074,476
Government Facility	467,600	467,600	-	-	-
Public Safety Facilities and Equipment	935,200	935,200	127,454	145,341	272,795
Recreation	233,800	233,800	112,080	15,080	127,160
Courthouse	233,800	233,800	508,495	20,099	528,594
Economic and Community Development	327,320	327,320	-	-	-
City of Roberta Water/Wastewater and Public Safety Equipment	607,880	607,880	35,697 *	75,871	111,568
Totals	$ 4,676,000	$ 4,676,000	$ 1,243,011	$ 871,582	$ 2,114,593

* Amount for prior years for City of Roberta was increased by $35,697. Payments in the prior year for the City's portion of the 2009 SPLOST issuance was omitted from the schedule.

Note:

The difference in SPLOST expenditures by project and the expenditures noted in the various SPLOST Funds represents debt service payments totaling $475,126 ($360,000 in principal and $115,126 in interest) attributed to repayment of the SPLOST bonds. The expenditures to purchase approved items are already included in the above schedule. If debt payments were included, the expenditures would be reported twice.

FIDUCIARY FUNDS

AGENCY FUNDS

Sheriff – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

Tax Commissioner – To account for property taxes levied, billed, and collected by the Tax Commissioner on behalf of Crawford County and other taxing units. The amounts collected are subsequently paid to the County.

Alternative Dispute Resolution Fund (ADR) – To account for all monies received by the ADR fund. An additional charge is collected in each civil action or case in Superior, Probate, and Magistrate courts and is paid into the ADR fund.

Clerk of Superior Court – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

Probate Court – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Magistrate Court – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

CRAWFORD COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
SEPTEMBER 30, 2010

ASSETS	Sheriff	Tax Commissioner	Alternate Dispute Resolution Fund	Clerk of Superior Court	Probate Court	Magistrate Court	Totals
Cash	$22,834	$ 143,373	$ 870	$ 68,934	$ 14,798	$ 10,448	$ 261,257
Investments	-	-	-	77,654	-	-	77,654
Taxes receivable	-	224,493	-	-	-	-	224,493
Due from others	80	-	-	-	7	-	87
Total assets	$22,914	$ 367,866	$ 870	$ 146,588	$ 14,805	$ 10,448	$ 563,491
LIABILITIES							
Funds held in escrow	$ -	$ 109,608	$ -	$129,439	$ -	$ 8,292	$ 247,339
Uncollected taxes	-	224,493	-	-	-	-	224,493
Due to others	22,914	33,765	870	17,149	14,805	2,156	91,659
Total liabilities	$22,914	$ 367,866	$ 870	$ 146,588	$ 14,805	$ 10,448	$ 563,491

CRAWFORD COUNTY, GEORGIA

BALANCE SHEET
CRAWFORD COUNTY DEVELOPMENT AUTHORITY
COMPONENT UNIT
SEPTEMBER 30, 2010

ASSETS		
Cash and cash equivalents	$	59,929
Accounts receivable		4,400
Notes receivable		360,824
Total assets	$	425,153
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$	9,228
Due to primary government		1,946
Deferred revenues		14,454
Total liabilities		25,628
FUND BALANCE		
Fund balances:		
Reserved for noncurrent notes receivable		360,824
Unreserved		38,701
Total fund balances		399,525
Total liabilities and fund balances	$	425,153

CRAWFORD COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CRAWFORD COUNTY DEVELOPMENT AUTHORITY
COMPONENT UNIT
SEPTEMBER 30, 2010

Revenues		
Intergovernmental revenue	$	50,853
Rental income		125,081
Utility income		5,001
Interest revenue		19,429
Other miscellaneous revenue		710
Total revenues		201,074
Expenditures		
Current:		
Economic development		120,666
Debt service:		
Principal		85,039
Interest		17,728
Capital outlay		19,342
Total expenditures		242,775
Net change in fund balance		(41,701)
Fund balance, beginning of year		441,226
Fund balance, end of year	$	399,525

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S 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 Board of Commissioners
of Crawford County, Georgia
Roberta, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crawford County, Georgia (the "County") as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 30, 2011. We did not audit the financial statements of Crawford County Health Department. Those financial statements were audited by other auditors whose reports have been furnished to us. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial

statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2010-01 through 2010-11 and 2010-13 through 2010-15 to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2010-12 and 2010-16 through 2010-17 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2010-18.

We also noted certain additional matters that we reported to management of Crawford County, Georgia in a separate letter dated March 30, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses, and accordingly, we express no opinion on them.

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

Mauldin & Jenkins, LLC

Macon, Georgia
March 30, 2011

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

To the Board of Commissioners
of Crawford County, Georgia
Roberta, Georgia

Compliance

We have audited the compliance of Crawford County, Georgia (the "County") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2010. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item SA 2010-01.

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over noncompliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item SA 2010-01. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on the response.

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



Macon, Georgia
March 30, 2011

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CRAWFORD COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
U.S. Department of Transportation			
(Passed through Georgia Department of Transportation)			
Nonurbanized Area Formula Program			
Rural Operating Assistance Grant	20.509	T-0031-39	$ 31,547
Rural Operating Assistance Grant	20.509	T-0035-20	12,837
Total Nonurbanized Area Formula Program			44,384
Total U.S. Department of Transportation			$ 44,384
U.S. Department of Housing and Urban Development			
(Passed through Georgia Department of Community Affairs)			
Community Development Block Grant (CDBG)			
Water Improvements	14.218	08p-y-039-1-5035	$ 435,779
Total Community Development Block Grant			435,779
Total U.S. Department of Housing and Urban Development			$ 435,779
U.S. Department of Homeland Security			
(Passed through Georgia Emergency Management Agency)			
Assistance to Firefighters Grant Program			
Assistance to Firefighters Grant	97.044	EMW-2009-FO-05576	$ 51,907
Total Assistance to Firefighters Grant Program			51,907
Hazard Mitigation Grant Program			
Hazard Mitigation Grant-Sirens	97.039	HMGP 1686-0048	$ 79,050
Total Hazard Mitigation Grant Program			79,050
Disaster Assistance Grant Program			
Disaster Assistance-Flooding	97.036	FEMA 1858	$ 5,539
Total Disaster Assistance Grant Program			5,539
Office of Domestic Emergency Grant Program			
Management Performance Grant	97.042	P09-9-041	$ 5,000
Total Office of Domestic Emergency Grant Program			5,000
Total U.S Department of Homeland Security			$ 141,496
U.S. Department of Justice			
FY 09 Recovery Act Edward Byrne Memorial Justice Assistance Grant			
JAG Grant (ARRA)	16.804	2009-SB-B9-1339	$ 12,023
Total FY 09 Recovery Act Edward Byrne Memorial Justice Assistance Grant			12,023
U.S. Deparment of the Interior			
(Passed through Georgia Department of Natural Resources)			
Federal Preserve America Grant Program			
Preservation Plan for County Courthouse	15.904	13-08-AP-4112	$ 8,349
Total Federal Preserve America Grant Program			8,349
Total All Expenditures of Federal Awards			$ 642,031

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Crawford County, Georgia, and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

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CRAWFORD COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ yes ____ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes ____ no
Noncompliance material to financial statements noted?	__X__ yes ____ no

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes ____ none reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	__X__ yes ____ no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ yes __X__ no

CRAWFORD COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2010-01. Management of Due To/From (Interfund) Accounts (Repeat of 2008-01 and 2009-01)

Criteria: Generally accepted accounting principles require consideration of the collectability of receivables of all kinds whether external or internal to the County. As part of that process, the County should review the amounts included in due to/from accounts (interfund receivables and payables) in each fund to determine if amounts should instead be treated as operating transfers in/out during any given fiscal year. Further, management should closely monitor all interfund activities, including agency fund transactions, to ensure that all respective amounts are properly recorded at all times.

Condition: During current year audit procedures, while reviewing the aging and nature of such amounts along with the potential for payment to the receivable funds, it became apparent that some of the receivable amounts should have been written off (as an operating transfer) due to the inability of the payable funds to honor such obligations. Additionally, the amounts recorded in the General Fund and special revenue funds as due from agency funds were not properly stated at September 30, 2010.

Context: See above condition.

Effect: One of the more significant adjustments required was between the General Fund and the Transit Fund (a nonmajor special revenue fund). Because the Transit Fund does not have the ability to repay the General Fund for amounts owed for salaries and operating expenditures, the Due to General Fund was written off in the amount of $44,035 via operating transfers. Additionally, an entry totaling $60,000 was required in the SPLOST City of Roberta Fund (a nonmajor capital project fund) to record payment made during the fiscal year for funds loaned out to the City of Roberta by the General Fund in the prior year.

Finally, entries to increase amounts due from the agency funds by $78,850 were recorded in the General Fund. Entries to decrease the amounts due from agency funds were recorded in the various nonmajor funds. These entries totaled $1,436.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-01. Management of Due To/From (Interfund) Accounts (Repeat of 2008-01 and 2009-01) (Continued)

Recommendation: We recommend the County review all interfund receivables and payables on a monthly basis and consider the need for settlements between funds at that time via operating transfers in/out by the respective funds. With regards to the agency funds, revenue should be received from the various agencies at the beginning of each month for the prior month's collections. These accounts should be reconciled at the end of each month in order to determine if funds are being received in a timely manner.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The County will review all interfund receivables and payables on a monthly basis and consider the need for settlement between funds at that time via operating transfers in/out by the respective funds. Additionally, the County will reconcile the various agency funds at the end of each month in order to determine if funds are being received in a timely manner.

2010-02. Recording of Accounts/Unbilled/Taxes/Intergovernmental Receivables and Associated Allowance Accounts (Repeat of 2008-02 and 2009-02)

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

Condition: The County did not properly record various year-end accounts/intergovernmental receivables in the County's General Fund, Water Fund, and nonmajor funds during the year ended September 30, 2010.

Context: We addressed this matter with the County and they were able to determine the appropriate receivables that should be recorded as of September 30, 2010.

Effect: Audit adjustments were required to be recorded in the above referenced funds. Specifically, we provide the following details:

a. Nonmajor funds – adjustments totaling $48,251 were required to decrease intergovernmental receivables.

b. Water Fund – an adjustment totaling $78,352 was required to increase grants receivable and intergovernmental revenue. In addition, an adjustment was required to increase accounts receivable, including unbilled amounts, and water revenues by $6,151. Additionally, an adjustment in the amount of $4,767 was required in order to increase the allowance for doubtful accounts;

c. General Fund – an adjustment totaling $16,700 was required to increase the receivables related to fuel reimbursements made to the County by the City of Roberta and the Crawford County Board of Education. These receivables represent fuel usage for September 2010. Additionally, an adjustment in the amount of $55,385 was required to increase taxes receivable and tax revenue.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-02. Recording of Accounts/Unbilled/Taxes/Intergovernmental Receivables and Associated Allowance Accounts (Repeat of 2008-02 and 2009-02) (Continued)

Recommendation: We recommend the County begin recognizing and recording all necessary accounts/intergovernmental receivable adjustments at the end of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The County will begin recognizing and recording all necessary adjustments at the end of each financial reporting cycle for accounts receivable, unbilled receivables, taxes receivable, and intergovernmental receivables.

2010-03. Recording of Notes/Accounts Receivable (Component Unit-Development Authority of Crawford County) (Repeat of 2008-03 and 2009-03)

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

Condition: The Development Authority did not properly record various accounts/notes receivable as of September 30, 2010.

Context: We addressed this matter with the Development Authority personnel and they were able to determine the appropriate receivables that should be recorded as of September 30, 2010.

Effect: Audit adjustments were required to be recorded for each note receivable reported by the Development Authority of Crawford County. An entry in the amount of $6,144 was required to reduce the receivable (lease purchase) from a lessor. A note receivable associated with the Polywad building financed via the County's Revolving Loan Fund had to be adjusted downward for $25,566 to account for principal payments made by the investor during the year. An additional receivable from the investor associated with a loan the Development Authority has with a financial institution had to be adjusted downward by $9,351. Finally, accounts receivable was increased by $3,000 to account for rent payments not received during the fiscal year ending September 30, 2010.

Recommendation: We recommend the Development Authority begin recognizing and recording all necessary accounts/notes receivable adjustments at the end of each financial reporting cycle.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-03. Recording of Notes/Accounts Receivable (Component Unit-Development Authority of Crawford County) (Repeat of 2008-03 and 2009-03) (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. Effort will be made by the Development Authority to record all necessary receivable amounts at the end of each fiscal year. Principal payments received will be recorded against the notes receivable balances and interest received will be posted to the income statement.

2010-04. Recording of Accounts Payable and Retainage Payable (Repeat of 2008-04 and 2009-04)

Criteria: Generally accepted accounting principles require reporting of all current liabilities when goods have been received or services have been performed.

Condition: The County did not properly address the above criteria as of September 30, 2010 as it relates to accounts payable and retainage payable items within the General Fund, SPLOST Bond Fund, Water Fund, and nonmajor funds.

Context: We addressed this matter with County officials and they were able to determine the amount of accounts and retainage payable that should be recorded in these funds as of September 30, 2010.

Effect: Numerous significant audit adjustments were required to be recorded in the above referred to funds. Specifically, we provide the following details:

a. Nonmajor Funds – an adjustment totaling $10,000 was required to decrease retainage payable in the SPLOST Road Fund (old SPLOST). An additional entry in the amount of $8,201 was required to adjust the amount owed (decrease) to the City of Roberta for their portion of the SPLOST as of September 30, 2010;
b. SPLOST Bond Fund – an adjustment totaling $8,419 was required to increase accounts payable;
c. General Fund – adjustments totaling $16,235 were required to increase accounts payable. Additionally, an entry totaling $20,322 was required to correct a debit balance in a liability account;
d. Water Fund - adjustments totaling $80,446 were required to increase accounts payable.

Recommendation: We recommend the County begin recognizing and recording accounts payable and retainage payable as required, and record the necessary adjustments to reflect the accounts payable balances at the conclusion of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The County will recognize and record accounts payable and retainage payable as required. Additionally, the County will record the necessary adjustments to reflect the proper balances for payables at the end of each financial reporting cycle.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-05. Debt Transactions (Bonds Payable and Accrued Interest Payable) (Repeat of 2008-06 and 2009-05)

Criteria: Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including long-term debt.

Condition: The County did not appropriately record debt transactions in the Water Fund including accrued interest payable.

Context: See above condition.

Effect: An audit adjustment to decrease notes payable in the amount of $64,758 was required. Client had recorded the current year payments to a debt service expenditure account instead of reducing the debt recorded on the Water Fund's balance sheet. Additionally, an adjustment to increase accrued interest payable in the amount of $3,913 was necessary to properly state accrued interest on long-term debt as of September 30, 2010.

Recommendation: We recommend the County record all debt transactions appropriately as they occur during the year.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The County will record all debt transactions appropriately as they occur during the year.

2010-06. Debt Transactions, Including Proceeds from Debt (Repeat of 2009-06)

Criteria: Generally accepted accounting principles require all cash transactions to be accurately reported. Proceeds from debt should be recorded as well as expenditures for associated capital outlay in governmental funds. In addition, under the current financial resources measurement focus, the transactions for the County should follow the modified accrual basis of accounting. Therefore, debt of the County is not recorded on the general ledger; only the issuance of debt and the debt service payments made.

Condition: The County did not appropriately record the issuance of debt and the related capital expenditure during the fiscal year ending September 30, 2010.

Context: See above condition.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-06. Debt Transactions, Including Proceeds from Debt (Continued)

Effect: An audit adjustment in the amount of $316,975 was required to record proceeds from the issuance of debt from a capital lease and capital outlay associated with the purchase of two pieces of heavy equipment.

Recommendation: We recommend the County record all debt transactions appropriately as they occur during the year.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The County will begin to record all debt transactions appropriately as they occur during the year.

2010-07. Management of Capital Asset Accounts, including Depreciation Expense and Accumulated Depreciation (Repeat of 2008-08 and 2009-07)

Criteria: Generally accepted accounting principles require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic and rational manner. Assets donated by outside parties should also be reported, but at the estimated fair value on the date of the donation.

Condition: Depreciation expense was not calculated for the depreciable fixed assets for the year ending September 30, 2010.

Context: See above condition.

Effect: An audit adjustment was required in the Water Fund to properly record current year depreciation of $232,981.

Recommendation: We recommend the County review all capital asset activity and capitalize assets based on the County's capitalization policy. The County should record all capital asset transactions, including depreciation expense and associated accumulated depreciation, within the Water Fund.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The County will review all capital asset activity and capitalize assets based on the County's capitalization policy. Additionally, the County will record depreciation expense and associated accumulated depreciation in the Water Fund.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-08. Maintenance of Records for Agency Fund Accounts (Repeat of 2008-12 and 2009-10)

Criteria: Agency funds are used to account for resources held by the County in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that adequate records be maintained to account for receipts, disbursements, and any residual funds that are held to be paid at a later date. Such listings should be reconciled to the respective cash balances maintained by the elected officials.

Condition: During our audit of the various elected officials offices' as of September 30, 2010, we noted the detail listings of amounts payable to (or on behalf of) various parties were not being reconciled to the respective recorded cash balances on a monthly basis. This situation was observed for the accounts maintained by the Clerk of Superior Court, the Magistrate Court, and the Tax Commissioner.

Context: At the office of the Clerk of Superior Court, we noted approximately $2,774 of excess cash in the operating account. The accounts maintained by the Chief Magistrate showed an overage of $1,359 from the general operating account and the new escrow account, collectively. Finally, the Tax Commissioner had an excess of $717 for the fiscal year ending September 30, 2010.

Effect: By not reconciling the cash balances on hand to the supporting detail listings on a monthly basis, differences, which could be attributed to misappropriation of assets, could occur and go undetected by the Clerk of Superior Court, the Magistrate Court, and the Tax Commissioner.

Recommendation: We recommend all offices of the County maintain adequate records including detailed listings to support the balances held in the agency funds. The County should consult with legal counsel for applicable escheat laws if it is unknown as to whom these funds belong.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-08. Maintenance of Records for Agency Fund Accounts (Repeat of 2008-12 and 2009-10) (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The Board of Commissioner's office will receive adequate records, including detailed listings to support cash balances, from the offices of elected officials on a periodic basis. Additionally, the elected officials' offices will be urged to consult with the County's legal counsel for applicable escheat laws if it is unknown as to whom the excess funds belong.

2010-09. Operation of the Clerk of Superior Court's (the Clerk's) Office (Repeat of 2009-11)

Criteria: Agency funds are used to account for resources held by the County in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that daily reconciliation activities be performed. In addition, it is imperative that these activities be segregated among the clerks to extent possible given the limited number of staff in the office.

Condition: During our audit of the office of the Clerk of Court, we noted that daily or monthly reconciliation activities are not being performed for funds received. Additionally, deposits are being prepared daily; however, the actual receipts are not being taken to the bank for several weeks. Finally, bank reconciliations for the accounts maintained by the Clerk of Superior Court had not been prepared for all twelve (12) months of the fiscal year ending September 30, 2010 (October 2009-September 2010).

Context: See above condition.

Effect: By not performing daily and month-end reconciliation activities, differences, could occur and go undetected by the Clerk of Superior Court. Specifically, these differences could be attributed to misappropriation of assets.

Recommendation: We recommend that daily reconciliation activities be put into place immediately for all receipts. Specifically, the reporting capabilities associated with the new software system installed in the Clerk's Office should be fully utilized. One clerk should take the funds, enter it into the software system, and print the receipt. A separate clerk or other employee should balance the receipts to the cash on hand and prepare the deposit. If applicable, another employee should take the deposit to the bank. For receipt of garnishments, we recommend the Clerk's office utilize the computer system and do away with writing garnishment receipts and disbursements in the manual ledger book. The system appears to have the potential to track garnishments received, perform reconciliation functions at the end of each day, produce month end reports, and generate disbursements. We also recommend that deposits be taken to the bank at least twice per week, more frequently if large deposits are received. Finally, we recommend bank reconciliations be performed each month in a timely manner. Reconciliations should be reviewed and signed off by someone other than the preparer.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The above recommendations will be implemented in the Clerk of Court's office during the fiscal year ended September 30, 2011. Next year should find significant changes in this office.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-10. Magistrate Court Reconciliations (Repeat of 2009-12)

Criteria: Agency funds are used to account for resources held by the County in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that the daily closeout activities be reconciled to the ledger books and/or spreadsheets maintained by the Chief Magistrate for funds held in escrow.

Condition: During our audit of the Magistrate Court, we noted the supporting ledger books and/or spreadsheets for funds held in escrow are not reconciled to the daily reports created by the clerks from the computer system utilized by the Magistrate Court. Therefore, due to the lack of reconciliation, the supporting ledgers provide little to no benefit, especially with regards to partial payments received.

Context: See above condition.

Effect: By not performing daily and month-end reconciliation activities, differences could occur and go undetected by the Magistrate Court. In addition, the monthly payouts are not verified to actual collections to ensure accuracy and completeness. This is further complicated by partial payments which are held by the Chief Magistrate until all funds are received for a particular case.

Recommendation: We recommend that daily reconciliation activities performed by the clerks be reconciled in a timely manner to the ledger books and/or spreadsheets maintained by the Chief Magistrate. Due to the nature of excel spreadsheets, we recommend the Chief Magistrate investigate as to whether the computer system utilized by the Magistrate Court has the ability to perform additional reconciliation functions. Finally, we recommend receipt of partial payments be paid out when received and not held until full payment is received. If this is not possible, the partial payments should be better segregated so that these types of payments can be easily identified.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The above recommendations will be implemented in the Magistrate Court during the fiscal year ending September 30, 2011.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-11. Recording of Debt Transactions (Component Unit-Development Authority of Crawford County) (Repeat of 2008-07 and 2009-14)

Criteria: Under the current financial resources measurement focus, the transactions for the Development Authority should follow the modified accrual basis of accounting. Therefore, debt of the Development Authority should not be recorded as a liability on the balance sheet. Debt service payments should be recorded as expenditures.

Condition: The Development Authority did not appropriately record debt service payments made during fiscal year 2010. Specifically, both interest and principal payments were incorrectly posted as a debit to a note payable account inappropriately included on the Development Authority's balance sheet.

Context: See above condition.

Effect: An audit adjustment in the amount of $51,895 was required to correctly reflect the payments as debt service expenditures.

Recommendation: We recommend the Development Authority record all debt transactions appropriately as they occur.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The Development Authority will record all debt transactions appropriately as they occur during the year.

2010-12. Management of Prepaid Assets (Repeat of 2009-15)

Criteria: Generally accepted accounting principles require that significant amounts of prepaid items on hand at year-end be reported as an asset.

Condition: The County did not properly record prepaid balances as of September 30, 2010.

Context: See above condition.

Effect: An audit adjustment in the amount of $25,534 was required in the General Fund to increase prepaid retirement contributions made prior to the year ending September 30, 2010.

Recommendation: We recommend the County properly record all prepaid items as of the end of the fiscal year.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-12. Management of Prepaid Assets (Repeat of 2009-15) (Continued)

Views of Responsible Officials and Planned Corrective Action: Management concurs with this finding. The County will record all prepaid items based on the above criteria.

2010-13. Ineffective Operation of Internal Controls Over Financial Reporting (Repeat of 2008-15 and 2009-19)

Criteria: Segregation of duties is one of the key concepts of internal control and is the most difficult and sometimes the most costly one to achieve. Segregation of duties, in basic terms, requires that no single individual(s) should have control over two or more phases of a transaction or operation in order for errors and, or fraud to be more difficult to occur. Actual job titles or organizational structure may vary greatly from one organization to another, depending on the size and nature of the business. With regard to segregation of duties, critical duties can be categorized into four types of functions: 1) authorization; 2) custody; 3) record keeping; and 4) reconciliation. In a perfect system, no one person should handle more than one type of function. Depending on an entity's size, functions and designations may vary. When duties cannot be separated, good, sound compensating controls should be in place. Compensating controls are internal controls that are intended to reduce the risk of an existing or potential control weakness. If a single person can carry out and conceal errors and/or irregularities in the course of performing their day-to-day activities, they have been assigned incompatible duties.

Condition: We noted various areas involving the internal control over financial reporting of the County which were ineffective. Those areas include, but are not limited to, the following items:

a. Subsidiary ledgers not maintained for all balance sheet accounts; therefore, a reconciliation to the general ledger cannot be performed;

b. Lack of segregation of duties regarding transactions maintained directly by personnel in the Board of Commissioners' office. Areas needing improvement are as follows:

   (1) The Utility Billing Clerk handles monthly billings for the Water Fund. In addition, the clerk receives payments, posts payments to the system and issues refunds to customers for discontinued water service;

   (2) Changes to the master files for accounts receivable, accounts payable, payroll, etc. are not reviewed by a member of upper management. Changes may include vendor names, addresses, contact information, etc.; and

   (3) Per review, the same individual prepares the bank reconciliations and maintains the chart of accounts.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-13. Ineffective Operation of Internal Controls Over Financial Reporting (Repeat of 2008-15 and 2009-19) (Continued)

c. Lack of segregation of duties regarding transactions maintained by the various elected officials. Areas needing improvement, but are limited due to the lack of personnel in each office are as follows:

(1) Magistrate Court – the Chief Magistrate does not review and sign off on the daily reconciliations performed by the clerk;

(2) Magistrate Court – one clerk in the office opens the mail, posts cash receipts, prepares the deposit, and takes the deposit to the bank;

(3) Magistrate Court – the Chief Magistrate prepares checks for payouts of fines and fees collected, signs the checks, and reconciles the bank accounts;

(4) Probate Court – the clerk takes payments for traffic citations and posts them to the computer software system;

(5) Probate Court – the Probate Court Judge prepares checks for payouts of fines and fees collected, signs the checks, prepares the deposits, takes the deposits to the bank, and reconciles the bank accounts;

(6) Clerk of Superior Court – one of the clerks opens the mail and prepares the deposit;

(7) Clerk of Superior Court – the Clerk of Court prepares checks for payouts of fines and fees collected, signs the checks, and takes the deposit to the bank. As noted above in finding 2010-09, the bank accounts maintained by the Clerk's office were not reconciled at any time during the fiscal year ending September 30, 2010;

(8) Sheriff – all transactions involving cash (receipt, deposit, disbursement, reconcilement, etc.) are maintained via QuickBooks by the Sheriff's accountant as of September 30, 2010;

(9) Sheriff – proceeds from the drop box are emptied by the Sheriff's accountant. These funds are not counted in the presence of another individual. As noted at #8 above, the accountant performs all transactions involving cash;

(10) Tax Commissioner – one employee takes the deposit to the bank, reconciles one or more of the accounts, and posts cash receipts to the system. In addition, all employees maintain access to cash;

(11) Tax Commissioner – the Tax Commissioner prepares checks for payouts of amounts collected, signs the checks, and reconciles two (2) of the bank accounts.

Additionally, we noted the County did not have proper segregation of duties with regards to cash management and the preparation and entering of journal entries. A total of twenty-five (25) journal entries were reviewed. Of these, all lacked evidence of review by the County Manager.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-13. Ineffective Operation of Internal Controls Over Financial Reporting (Repeat of 2008-15 and 2009-19) (Continued)

Context: We noted the above conditions during performance of audit procedures including: internal control walkthroughs, completion of internal control questionnaires, inquiry and observation, and the completion of audit workpapers.

Effect: Failure to design and operate effective internal controls could lead to undetected misappropriation of funds or delays in finding potential fraud.

Recommendation: We recommend the County work immediately to eliminate the above deficiencies.

Views of Responsible Officials and Planned Corrective Action: We concur with the recommendation. The County is in the process of correcting these deficiencies, with the anticipation that these issues will be resolved for the fiscal year ending September 30, 2011.

2010-14. Ineffective Operation of Internal Controls Over Financial Reporting – Development Authority of Crawford County (Repeat of 2008-16 and 2009-20)

Condition: For the fiscal year ending September 30, 2010, we noted the Development Authority of Crawford County (the Development Authority) did not have proper segregation of duties with regard to cash management, and preparation and entering of journal entries. We noted various areas involving the internal control over financial reporting of the Development Authority which were ineffective. Those areas include, but are not limited to, the following findings:

a. Subsidiary ledgers not maintained for all balance sheet accounts; therefore, a reconciliation to the general ledger cannot be performed;
b. The Development Authority only has one employee. Employee opens mail, makes copies of checks received, prepares deposits, takes deposits to the bank, reconciles bank accounts, prepares disbursements, and posts journal entries to the system.

Condition: We noted the above conditions during performance of audit procedures including: internal control walkthroughs, inquiry and observation, and the completion of audit workpapers.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-14. Ineffective Operation of Internal Controls Over Financial Reporting – Development Authority of Crawford County (Repeat of 2008-16 and 2009-20) (Continued)

Effect: The failure of the Development Authority to effectively design and operate sound internal controls could lead to undetected misappropriation of funds or delays in finding potential fraud.

Recommendation: We recommend the Development Authority work immediately to eliminate the above deficiencies.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The Development Authority is in the process of correcting these deficiencies with the anticipation that the issues will be resolved for the 2011 fiscal year. Additionally, a Board member will review and initial all bank reconciliations during the fiscal year ending September 30, 2011.

2010-15. Water Project Grant Cash Account (Repeat of 2009-21)

Criteria: With the issuance of the 2007 Water Revenue Bonds, the County was required to open a separate cash account for which funds would be accumulated for emergency repairs and maintenance to the water system. The County was required to make monthly deposits of $2,347 into this account.

Condition: For the fiscal year ended September 30, 2010, the bank account balance was short of the required balance by approximately $6,552. The shortage was attributed to deposits not being made in prior years. The correct deposits were made during the fiscal year ending September 30, 2010; however, the shortage still existed.

Context: See above condition.

Effect: By not making the required deposits into the Water Project Grant Account, the County is in violation of the bond documents associated with the issuance of the 2007 Water Revenue Bonds. In addition, the account is underfunded and may not have the money available to cover necessary repairs that may arise without warning.

Recommendation: We recommend the County deposit the necessary amount to bring the Water Project Grant account to its required balance. Further, we recommend the County make timely deposits into this account on a monthly basis.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-15. Water Project Grant Cash Account (Repeat of 2009-21) (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. Deposits will be made to "catch" up the emergency repair account during the fiscal year ending September 30, 2011.

2010-16. Cash Management

Criteria: Generally accepted accounting principles require all cash transactions to be accurately reported.

Condition: The County did not appropriately record transactions (deposits and disbursements) in the Law Library Fund (a special revenue fund) for the fiscal year ending September 30, 2010. Deposits into the fund include payments received from the various agency funds at the County. Funds are then disbursed for allowable activities under the Official Code of Georgia (OCGA).

Context: We addressed this matter with County officials who were able to determine the appropriate adjustments that should have been recorded as of September 30, 2010.

Effect: An audit adjustment to decrease cash in the amount of $3,402 was required for the Law Library Fund.

Recommendation: We recommend the County begin recognizing and recording all cash transactions as they occur. In addition, all cash accounts should be reconciled and balanced to the general ledger on the County's software system each month.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The County will begin recognizing and recording all cash transactions as they occur. In addition, all cash accounts will be reconciled and balanced to the County's general ledger system each month.

2010-17. Recording of Accounts Payable – Development Authority of Crawford County

Criteria: Generally accepted accounting principles require reporting of all current liabilities when goods have been received or services have been performed.

Condition: The Development Authority did not properly address the above criteria as of September 30, 2010 as it relates to accounts payable.

Context: We addressed this matter with Development Authority personnel and they were able to determine the amount of accounts payable that should be recorded in these funds as of September 30, 2010.

Effect: An audit adjustment in the amount of $9,726 was required to increase accounts payable.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-17. Recording of Accounts Payable – Development Authority of Crawford County (Continued)

Recommendation: We recommend the Development Authority begin recognizing and recording accounts payable as required, and record the necessary adjustments to reflect the accounts payable balances at the conclusion of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The Development Authority will recognize and record accounts payable as required. Additionally, the Development Authority will record the necessary adjustments to reflect the proper balances for payables at the end of each financial reporting cycle.

2010-18. Adoption of Budgets (Repeat of 2008-17 and 2009-22)

Criteria: House Bill 1364 of the 1998 session of the Georgia General Assembly requires an annual balanced budget for the General Fund, each special revenue fund, and each debt service fund and requires a project length balanced budget for each capital projects fund.

Condition: For the fiscal year ended September 30, 2010, annual budgets were not adopted for any of the County's special revenue funds (Jail Fund, Transit System Fund, Revolving Loan Fund, Sheriff's Department Drug Fund, Law Library Fund, Jail Concession Fund, Crime Victim Fund, and the Drug Education Fund).

Context: See above condition.

Effect: By not adopting balanced budgets on an annual basis, management is unable to adequately monitor the revenue collected and expenditures incurred on behalf of the County. In addition, the County is noncompliant with respect to the Official Code of Georgia (OCGA) Section 36-81-2 through 36-81-6.

Recommendation: We recommend the County adopt balanced budgets for all funds in accordance with the Official Code of Georgia.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. Budgets will be adopted for all special revenue funds for the fiscal year ending September 30, 2012.

CRAWFORD COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 2010-01. Failure to Disburse Grant Proceeds in a Timely Manner

Federal Program Information:	CFDA Number 14.218 Community Development Block Grant (CDBG) Program-Water Improvements United States Department of Housing and Urban Development (HUD) Grant Number: 08p-y-039-1-5035
Criteria:	Per federal guidelines, grant funds received in advance of vendor payment must be expended by governmental entity within a reasonable period of time. Specifically, this window is within three (3) days after the receipt of the grant funds.
Context:	For the fiscal year ended September 30, 2010, several instances were noted where grant funds were not paid out to applicable vendors in a timely manner.
Questioned Costs:	None.
Effect:	The more time that elapses between the receipt of grant funds and subsequent payout, the risk of improper expenditures becomes higher, especially during the current economic crisis.
Cause:	Lack of proper oversight and review by members of upper management.
Recommendation:	We recommend that grant funds received in the future be expended within a reasonable period of time (i.e., three days).
Views of Responsible Officials and Planned Corrective Action:	We concur with the finding. The County will expend grant funds received in the future in a timely manner (i.e., within three days of receipt).

CRAWFORD COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

2009-01. Management of Due To/From (Interfund) Accounts

Criteria: Generally accepted accounting principles require consideration of the collectability of receivables of all kinds whether external or internal to the County. As part of that process, the County should review the amounts included in due to/from accounts (interfund receivables and payables) in each fund to determine if amounts should instead be treated as operating transfers in/out during any given fiscal year. Further, management should closely monitor all interfund activities, including agency fund transactions, to ensure that all respective amounts are properly recorded at all times.

Condition: During current year audit procedures, while reviewing the aging and nature of such amounts along with the potential for payment to the receivable funds, it became apparent that some of the receivable amounts should have been written off (as an operating transfer) due to the inability of the payable funds to honor such obligations. Additionally, the amounts recorded in the General Fund and special revenue funds as due from agency funds were not properly stated at September 30, 2009.

Auditee response/status: Unresolved. Refer to current year finding at 2010-01.

2009-02. Recording of Account/Intergovernmental Receivables

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

Condition: The County did not properly record various year-end account/intergovernmental receivables in the County's General Fund, Water Fund, and nonmajor funds during the year ended September 30, 2009.

Auditee response/status: Unresolved. Refer to current year finding at 2010-02.

2009-03. Recording of Note/Account Receivable (Component Unit - Development Authority of Crawford County)

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

Condition: The Development Authority did not properly record various accounts/notes receivable as of September 30, 2009.

Auditee response/status: Unresolved. Refer to current year finding at 2010-03.

CRAWFORD COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

2009-04. Recording of Accounts Payable and Retainage Payable

Criteria: Generally accepted accounting principles require reporting of all current liabilities when goods have been received or services have been performed.

Condition: The County did not properly address the above criteria as of September 30, 2009 as it relates to accounts payable and retainage payable items within the General Fund, SPLOST Bond Fund, Water Fund, and nonmajor funds.

Auditee response/status: Unresolved. Refer to current year finding at 2010-04.

2009-05. Debt Transactions (Bonds Payable and Accrued Interest Payable)

Criteria: Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including long-term debt.

Condition: The County did not appropriately record debt transactions in the Water Fund including accrued interest payable.

Auditee response/status: Unresolved. Refer to current year finding at 2010-05.

2009-06. Debt Transactions, Including Proceeds from Debt

Criteria: Generally accepted accounting principles require all cash transactions to be accurately reported. Proceeds from debt should be recorded as well as expenditures for associated capital outlay in governmental funds. In addition, under the current financial resources measurement focus, the transactions for the County should follow the modified accrual basis of accounting. Therefore, debt of the County is not recorded on the general ledger; only the issuance of debt and the debt service payments made.

Condition: The County did not appropriately record the issuance of debt and the related capital expenditure during the fiscal year ending September 30, 2009.

Auditee response/status: Unresolved. Refer to current year finding at 2010-06.

CRAWFORD COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

2009-07. Management of Capital Asset Accounts, including Construction in Progress

Criteria: Generally accepted accounting principles require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic and rational manner. Assets donated by outside parties should also be reported, but at the estimated fair value on the date of the donation.
Condition: The County did not properly move all capital expenditures associated with Phase II of the water system improvement project, including associated interest paid on debt during construction, to a construction in progress account upon completion in FY2009. Additionally, other fixed asset purchases were not appropriately added to the capital asset listing maintained for the Water Fund. Finally, depreciation expense was not calculated for the depreciable fixed assets for the year ending September 30, 2009.

Auditee response/status: Partial resolved. Refer to current year finding at 2010-07.

2009-08. General Capital Assets (Governmental Funds)

Criteria: The County is required to maintain a current listing of all capital assets and related accumulated depreciation. Such a listing should be one that provides the details of all fixed assets including: location, cost, useful lives, types of assets, and their respective function.

Condition: The County did not appropriately maintain the capital asset listing for the general capital assets account group (GFAAG) for the fiscal year ended September 30, 2009. Specifically, the listing was not updated to reflect purchases, deletions, donated assets, transfers, and current year depreciation expense.

Auditee response/status: Resolved.

2009-09. Management of Due To County (Component Unit-Development Authority of Crawford County)

Criteria: Generally accepted accounting principles require consideration of the collectability of receivables of all kinds whether external or internal to the Development Authority. As part of that process, the Development Authority should review the amounts included in the Due To/Due From County account. Further, management should closely monitor all activities, including rent, utilities, payroll, and work performed by County personnel for the benefit of the Development Authority to ensure that all respective amounts are properly recorded at all times.
Condition: The Development Authority did not properly adjust a prior year payable to the County when payment was made in the current year.

Auditee response/status: Resolved.

CRAWFORD COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

2009-10. Maintenance of Records for Agency Fund Accounts

Criteria: Agency funds are used to account for resources held by the County in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that adequate records be maintained to account for receipts, disbursements, and any residual funds that are held to be paid at a later date. Such listings should be reconciled to the respective cash balances maintained by the elected officials.

Condition: During our audit of the various elected officials offices' as of September 30, 2010, we noted the detail listings of amounts payable to (or on behalf of) various parties were not being reconciled to the respective recorded cash balances on a monthly basis. This situation was observed for the accounts maintained by the Clerk of Superior Court, the Magistrate Court, and the Tax Commissioner.

Auditee response/status: Unresolved. Refer to current year finding at 2010-08.

2009-11. Operation of the Clerk of Superior Court's (the Clerk's) Office

Criteria: Agency funds are used to account for resources held by the County in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that daily reconciliation activities be performed. In addition, it is imperative that these activities be segregated among the clerks to extent possible given the limited number of staff in the office.

Condition: During our audit of the office of the Clerk of Court, we noted that daily reconciliation activities are not being performed for receipts of garnishments or criminal receipts. Additionally, deposits are being prepared daily; however, the actual receipts are not being taken to the bank for several weeks or even months. Finally, bank reconciliations for the accounts maintained by the Clerk of Superior Court had not been prepared for six months (January 2009-September 2009).

Auditee response/status: Unresolved. Refer to current year finding at 2010-09.

2009-12. Magistrate Court Reconciliations

Criteria: Agency funds are used to account for resources held by the County in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that the daily closeout activities be reconciled to the ledger books and/or spreadsheets maintained by the Chief Magistrate for funds held in escrow.
Condition: During our audit of the Magistrate Court, we noted the supporting ledger books and/or spreadsheets for funds held in escrow are not reconciled to the daily reports created by the clerks from the computer system utilized by the Magistrate Court. Therefore, due to the lack of reconciliation, the supporting ledgers provide little to no benefit, especially with regards to partial payments received.

Auditee response/status: Unresolved. Refer to current year finding at 2010-10.

CRAWFORD COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

2009-13. Recording of Deferred Revenue

Criteria: Generally accepted accounting principles require reporting of deferred revenue when revenues have been received but not yet earned.

Condition: The County did not properly address the above criteria as of September 30, 2009 as it relates to grant revenue received in the Water Fund and General Fund.

Auditee response/status: Resolved.

2009-14. Recording of Debt Transactions (Component Unit-Development Authority of Crawford County)

Criteria: Under the current financial resources measurement focus, the transactions for the Development Authority should follow the modified accrual basis of accounting. Therefore, debt of the Development Authority should not be recorded as a liability on the balance sheet. Debt service payments should be recorded as expenditures.

Condition: The Development Authority did not appropriately record debt service payments made during fiscal year 2009. Specifically, both interest and principal payments were incorrectly posted as a debit to a note payable account inappropriately included on the Development Authority's balance sheet.

Auditee response/status: Unresolved. Refer to current year finding at 2010-11.

2009-15. Management of Prepaid Assets

Criteria: Generally accepted accounting principles require that significant amounts of prepaid items on hand at year-end be reported as an asset.

Condition: The County did not properly record prepaid balances as of September 30, 2009.

Auditee response/status: Unresolved. Refer to current year finding at 2010-12.

CRAWFORD COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

2009-16. Garbage Receivable and Allowance for Doubtful Accounts

Criteria: Generally accepted accounting principles require customer accounts receivable be recorded when goods are received or services performed. Additionally, an allowance for uncollectible accounts should be recorded for those receivables for which collection is doubtful.
Condition: We noted the County did not properly address and record the receivable for solid waste collection (garbage) and the associated allowance for uncollectible accounts as of September 30, 2009 in the General Fund.

Auditee response/status: Resolved.

2009-17. Management of Note Receivable From Component Unit (the Development Authority of Crawford County)

Criteria: Generally accepted accounting principles require consideration of the collectability of receivables of all kinds whether external or internal to the County. As part of that process, the County should review the amounts recorded as receivables to ensure that all respective amounts are properly recorded at all times.
Condition: The County did not properly record payments made on the revolving loan receivable.

Auditee response/status: Resolved.

2009-18. Salaries and Wages Payable

Criteria: Generally accepted accounting principles require the reporting of current liabilities when services have been performed by County personnel, but personnel have not yet been paid.

Condition: The County did not properly address the above criteria as of September 30, 2009 as it relates to accounts within the General Fund.

Auditee response/status: Resolved.

CRAWFORD COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

2009-19. Ineffective Operation of Internal Controls Over Financial Reporting

Criteria: Segregation of duties is one of the key concepts of internal control and is the most difficult and sometimes the most costly one to achieve. Segregation of duties, in basic terms, requires that no single individual(s) should have control over two or more phases of a transaction or operation in order for errors and, or fraud to be more difficult to occur. Actual job titles or organizational structure may vary greatly from one organization to another, depending on the size and nature of the business. With regard to segregation of duties, critical duties can be categorized into four types of functions: 1) authorization; 2) custody; 3) record keeping; and 4) reconciliation. In a perfect system, no one person should handle more than one type of function. Depending on an entity's size, functions and designations may vary. When duties cannot be separated, good, sound compensating controls should be in place. Compensating controls are internal controls that are intended to reduce the risk of an existing or potential control weakness. If a single person can carry out and conceal errors and/or irregularities in the course of performing their day-to-day activities, they have been assigned incompatible duties.

Condition: We noted various areas involving the internal control over financial reporting of the County which were ineffective. Those areas include, but are not limited to, the following items:

a. Subsidiary ledgers not maintained for all balance sheet accounts; therefore, a reconciliation to the general ledger cannot be performed;

b. Lack of segregation of duties regarding transactions maintained directly by personnel in the Board of Commissioners' office. Areas needing improvement are as follows:
   (1) The Utility Billing Clerk handles monthly billings for the Water Fund. In addition, the clerk receives payments, posts payments to the system and issues refunds to customers for discontinued water service;
   (2) Adjustments to customer accounts in the Water Fund are performed by the Utility Billing Clerk and the Water Superintendant. The adjustments are not maintained for recordkeeping purposes and are not reviewed by an upper member of management;
   (3) Changes to the master files for accounts receivable, accounts payable, etc. are not reviewed by a member of upper management. Changes may include vendor names, addresses, contact information, etc.; and
   (4) Per review, the same individual prepares the bank reconciliation and maintains the chart of accounts.

2009-19. Ineffective Operation of Internal Controls Over Financial Reporting (Continued)

c. Lack of segregation of duties regarding transactions maintained by the various elected officials. Areas needing improvement but are limited due to the lack of personnel in each office are as follows:
   (1) Magistrate Court – the Chief Magistrate does not review and sign off on the daily reconciliations performed by the clerk;
   (2) Magistrate Court – one clerk in the office opens the mail, posts cash receipts, prepares the deposit, and takes the deposit to the bank;
   (3) Magistrate Court – the Chief Magistrate prepares checks for payouts of fines and fees collected, signs the checks, and reconciles the bank accounts;
   (4) Probate Court – the clerk takes payments for traffic citations and posts them to the computer software system;
   (5) Probate Court – the Probate Court Judge prepares checks for payouts of fines and fees collected, signs the checks, prepares the deposits, takes the deposits to the bank, and reconciles the bank accounts;
   (6) Clerk of Superior Court – one of the clerks opens the mail and prepares the deposit;
   (7) Clerk of Superior Court – the Clerk of Court prepares checks for payouts of fines and fees collected, signs the checks, takes the deposit to the bank, and reconciles the bank account;
   (8) Sheriff – all transactions involving cash (receipt, deposit, disbursement, reconcilement, etc.) are maintained via QuickBooks by the Sheriff's accountant as of September 30, 2009;
   (9) Tax Commissioner – one employee takes the deposit to the bank, reconciles one or more of the accounts, and posts cash receipts to the system. In addition, all employees maintain access to cash;
   (10) Tax Commissioner – the Tax Commissioner prepares checks for payouts of amounts collected, signs the checks, and reconciles two (2) of the bank accounts.

Additionally, we noted the County did not have proper segregation of duties with regard to cash management and the preparation and entering of journal entries. A total of twenty-five (25) journal entries were reviewed. Of these, nine (9) lacked evidence as to who prepared the entries. Twenty-one (21) entries lacked evidence as to who reviewed the entries, and nine (9) entries lacked evidence as to who posted the entry to the system. Several entries (9) contained a signature as to who prepared and posted the entry; however, this was performed by the same individual. Finally, one (1) entry was prepared and reviewed by the same individual. None of the entries showed evidence of review by the County Manager.

Auditee response/status: Unresolved. Refer to current year finding at 2010-13.

CRAWFORD COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

2009-20. Ineffective Operation of Internal Controls Over Financial Reporting – Development Authority of Crawford County

Criteria: For the fiscal year ending September 30, 2009, we noted the Development Authority of Crawford County (the Development Authority) did not have proper segregation of duties with regard to cash management, and preparation and entering of journal entries. We noted various areas involving the internal control over financial reporting of the Development Authority which were ineffective. Those areas include, but are not limited to, the following findings:

a. Subsidiary ledgers not maintained for all balance sheet accounts; therefore, a reconciliation to the general ledger cannot be performed;
b. The Development Authority only has one employee. Employee opens mail, makes copies of checks received, prepares deposits, takes deposits to the bank, reconciles bank accounts, prepares disbursements, and posts journal entries to the system.

Condition: We noted the above conditions during performance of audit procedures including: internal control walkthroughs, inquiry and observation, and the completion of audit workpapers.

Auditee response/status: Unresolved. Refer to current year finding at 2010-14.

2009-21. Water Project Grant Cash Account

Criteria: With the issuance of the 2007 Water Revenue Bonds, the County was required to open a separate cash account for which funds would be accumulated for emergency repairs and maintenance to the water system. The County was required to make monthly deposits of $2,347 into this account.

Condition: For the fiscal year ended September 30, 2009, the bank account balance was short of the required balance by approximately $36,552. The shortage was attributed to deposits totaling $22,470 that were not made for the fiscal year ending September 30, 2008 and $14,082 in deposits which were not made prior to April 2009 for the September 30, 2009 fiscal year.

Auditee response/status: Unresolved. Refer to current year finding at 2010-15.

2009-22. Adoption of Budgets

Criteria: House Bill 1364 of the 1998 session of the Georgia General Assembly requires an annual balanced budget for the General Fund, each special revenue fund, and each debt service fund and requires a project length balanced budget for each capital projects fund.

Condition: For the fiscal year ended September 30, 2009, annual budgets were not adopted for any of the County's special revenue funds.

Auditee response/status: Unresolved. Refer to current year finding at 2010-18.

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT ACCOUNTANT'S REPORT ON LOCAL ASSISTANCE GRANTS

To the Board of Commissioners
of Crawford County, Georgia
Roberta, Georgia

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Forms about Crawford County, Georgia's compliance during the year ended September 30, 2010, with the requirement to use grant proceeds solely for the purpose or purposes for which the grants were made for Local Assistance Grant numbers #00-C-L-78 and #08-C-L-120. Management is responsible for Crawford County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Crawford County, Georgia's compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting Crawford County, Georgia's compliance with the above mentioned requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Crawford County, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that Crawford County, Georgia complied with the aforementioned requirement for the year ended September 30, 2010, is fairly stated, in all material respects.

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

Mauldin & Jenkins, LLC

Macon, Georgia
March 30, 2011

State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

LINE		
A	Local Government	Crawford County, Georgia
B	State Awarding Agency	Department of Community Affairs State of Georgia
C	Grant Identification Number	00-C-L-78
D	Grant Title	Local Assistance Grant
E	Grant Award Date	July 2, 1999
F	Grant Amount	$15,000.00

		COLUMN 1 Current Year Activity For the Year Ended: September 30, 2010	COLUMN 2 Cumulative Grant Activity Through the Year Ended: September 30, 2010
H	(Cash or Accrued or Deferred Revenue)	$323.00	
I	Grant Receipts or Revenue Recognized	$0.00	$15,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$0.00	$14,677.00
K	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$323.00	$323.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date 3-30-11

Signature of Chief Financial Officer _____ Date 3-30-11

State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

LINE		
A	Local Government	Crawford County, Georgia
B	State Awarding Agency	Department of Community Affairs State of Georgia
C	Grant Identification Number	08-C-L-120
D	Grant Title	Local Assistance Grant
E	Grant Award Date	March 25, 2008
F	Grant Amount	$10,000.00

		COLUMN 1 Current Year Activity For the Year Ended: September 30, 2010	COLUMN 2 Cumulative Grant Activity Through the Year Ended: September 30, 2010
G			
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	($2,500.00)	
I	Grant Receipts or Revenue Recognized	$2,500.00	$10,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$0.00	$10,000.00
K	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$0.00	$0.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date 3-30-11

Signature of Chief Financial Officer _____ Date 3-30-11

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