CRISP COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED JUNE 30, 2010

INTRODUCTORY SECTION

CRISP COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Page

Table of Contents ..... i and ii
List of Principal Officials iii

II. FINANCIAL SECTION

Independent Auditor's Report ..... 1 and 2
Management's Discussion and Analysis ..... 3 - 11
Basic Financial Statements:
Government-Wide Financial Statements:
Statement of Net Assets ..... 12 and 13
Statement of Activities ..... 14 and 15
Fund Financial Statements:
Balance Sheet – Governmental Funds ..... 16 and 17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds ..... 18 and 19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 20
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund ..... 21 and 22
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – CDBG Revolving Loan Fund 23
Statement of Net Assets – Proprietary Funds 24
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds 25
Statement of Cash Flows – Proprietary Funds 26
Statement of Fiduciary Assets and Liabilities – Agency Funds 27
Notes to Financial Statements ..... 28 - 59
Required Supplementary Information:
Defined Benefit Retirement Plan – Schedule of Funding Progress 60
Combining and Individual Fund Statements and Schedules:
Combining Balance Sheet – Nonmajor Governmental Funds ..... 61 and 62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds ..... 63 and 64
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds 65
Combining Statement of Assets and Liabilities – Agency Funds ..... 66 and 67

CRISP COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

TABLE OF CONTENTS (CONTINUED)

III. COMPLIANCE SECTION

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* ..... 68 and 69

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 ..... 70 and 71

Schedule of Expenditures of Federal Awards ..... 72 and 73

Note to Schedule of Expenditures of Federal Awards 74

Schedule of Findings and Questioned Costs ..... 75 - 79

Schedule of Prior Year Findings ..... 80 and 81

CRISP COUNTY, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2010

ELECTED

Arthur James Nance, County Commissioner

William Culpepper, County Commissioner

James D. Harris, County Commissioner

Wallace Mathis, County Commissioner

Brad Faircloth, County Commissioner

STAFF

Lester E. Crapse, Jr., County Administrator

Sherrie Leverett, Finance Director

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Crisp County, Georgia
Cordele, 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 **Crisp County, Georgia**, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Crisp County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the component unit financial statements of the Crisp County Board of Health which statements reflect total assets of $268,446 and total revenues of $810,090 or the Regional Health Services, Inc. which statements reflect total assets of $81,814,000 and total revenues of $70,184,000 for the year ended June 30, 2010. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for these component units, is based solely on the reports 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. The financial statements of the Crisp Regional Health Services were audited in accordance with auditing standards generally accepted in the United States of America but were not audited in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. 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 reports of the other auditors provide a reasonable basis for our opinions.

In our opinion and based on our audit and the reports 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 Crisp County, Georgia as of June 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue 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 December 30, 2010, on our consideration of Crisp 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 – 11) and the Required Supplementary Information on page 60 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 Crisp County, Georgia's basic financial statements. The introductory section and the combining and individual nonmajor fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the basic financial statements of Crisp County, Georgia. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of federal awards and the schedule of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mauldin & Jenkins, LLC

Albany, Georgia
December 30, 2010

As management of Crisp County, Georgia (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the Crisp County, Georgia for the fiscal year ended June 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 Primary Government's total assets exceeded its liabilities at June 30, 2010, by $66,509,244 (net assets). Of this amount, $11,839,112 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Primary Government's total net assets decreased by $1,109,033 for the fiscal year ended June 30, 2010.
- Included in the total net assets of the Primary Government, is an investment of $51,859,424 in capital assets net of related debt.
- The County's General Fund unreserved fund balanced declined by $657,747 to $6,502,696 for the fiscal year. Including fund transfers, which equates to 46% of total General Fund expenditures.
- The fund balances of $5,527,082 from SPLOST and other governmental funds brings the County's combined ending fund balance to $12,326,128 as of the close of fiscal year 2010. This represents an increase from the previous year in the amount of $1,395,600 or 13%.
- The County's capital lease, notes payable and revenue bond debt balance reported at June 30, 2010 increased by $1,440,606 over this fiscal period.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Crisp County's basic financial statements. The County's basic financial statements comprise 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 statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Crisp 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. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net assets changed during the 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.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through administrative fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, parks and recreation, housing and community development and economic development. The business-type activities of the County include the water system, the municipal solid waste landfill and the self-insurance health benefit fund.

The government-wide financial statements include not only Crisp County itself (known as the primary government), but also a legally separate board of health, a hospital authority, and an electric power commission. The County is financially accountable for each of these entities. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12 - 15 of this report.

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. Crisp 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 (3) 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.

For the fiscal year ended June 30, 2010, the County maintained eleven (11) individual governmental funds to account for the following activities: General Fund, Law Library Fund, Asset Forfeiture Fund, DARE Fund, Jail Fund, E-911 Fund, Hotel/Motel Tax Fund, CDBG Revolving Loan Fund, Northside Water Distribution Fund, and Capital Project (SPLOST) 2000 and 2005 Funds. 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 Fund, the CDBG Revolving Loan Fund and the Sales Tax Funds, all of which are 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.

The County adopts an annual appropriated budget for all General and Special Revenue Funds. Budgetary comparison statements have been provided for the General Fund and Major Special Revenue Fund to demonstrate compliance with budget. Budgets for capital project funds are adopted on a project-length basis, however, they are reviewed and updated as needed during the annual budget process.

Proprietary Funds. The County maintains two (2) different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for water distribution and solid waste operations.

Internal service funds are an accounting device used to accumulate and allocate cost internally among the County's various departments and divisions. The County has no internal service funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water System Fund, the Landfill Fund and the Self-Insurance Health Benefit Fund. All three funds are considered major funds of the County.

The basic proprietary fund financial statements can be found on pages 24-26 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held by agencies for benefit of parties outside the government. Those agencies include the Clerk of Superior Court, the Probate Judge, the Crisp County Sheriff, the Jail Inmate Fund, the Tax Commissioner and the Magistrate Court. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Statement of Fiduciary Assets and Liabilities – Agency funds financial statements can be found on page 27 of this report. The combining statement of assets and liabilities for agency funds is located on pages 66 - 67.

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. The notes to the financial statements can be found on pages 28 - 59 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 61 - 64 of this report.

Government-Wide Financial Analysis

Net assets generally serve over time as a useful indicator of a government's financial position. In the case of Crisp County, assets exceed liabilities by $66,509,244 at the close of the most recent fiscal year.

The largest portion of the County's net assets (78%) 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.

Crisp County's Net Assets
JUNE 30, 2010

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	
	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010
Current and other assets	$ 13,391,952	$ 14,507,418	$ 3,867,721	$ 3,849,562	$ 17,259,673	$ 18,356,980
Capital assets	51,899,960	49,593,967	8,233,065	9,174,613	60,133,025	58,768,580
Total assets	65,291,912	64,101,385	12,100,786	13,024,175	77,392,698	77,125,560
Long-term liabilities outstanding	336,426	745,579	6,723,216	7,583,449	7,059,642	8,329,028
Other liabilities	1,810,129	1,591,937	904,650	695,351	2,714,779	2,287,288
Total liabilities	2,146,555	2,337,516	7,627,866	8,278,800	9,774,421	10,616,316
Net assets:						
Invested in capital assets, net of related debt	51,709,998	48,854,124	2,954,477	3,005,300	54,664,475	51,859,424
Restricted	814,683	2,681,376	137,422	129,332	952,105	2,810,708
Unrestricted	10,620,676	10,228,369	1,381,021	1,610,743	12,001,697	11,839,112
Total net assets	$ 63,145,357	$ 61,763,869	$ 4,472,920	$ 4,745,375	$ 67,618,277	$ 66,509,244

The remaining balance of unrestricted net assets ($11,839,112) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Crisp County is able to report positive balances in all three (3) categories of net assets for the governmental activities and business-type activities.

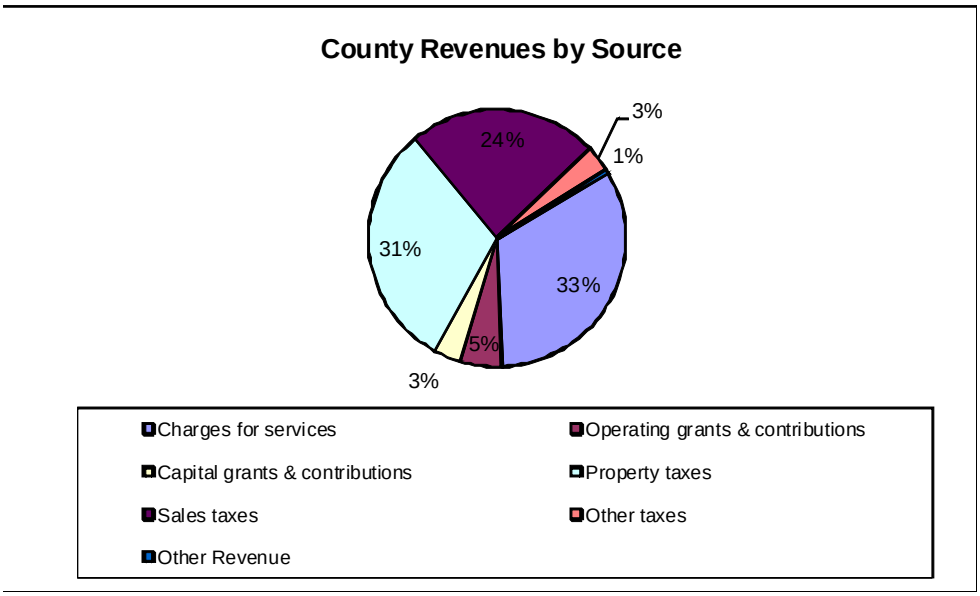
Governmental Activities. The County's net assets were actually reduced by governmental activities for the fiscal year by $1,381,488. As indicated by the following chart, governmental activities expenses exceeded program revenues by just over 6% or $1,381,488 for the twelve-month period of July 1, 2009 through June 30, 2010.

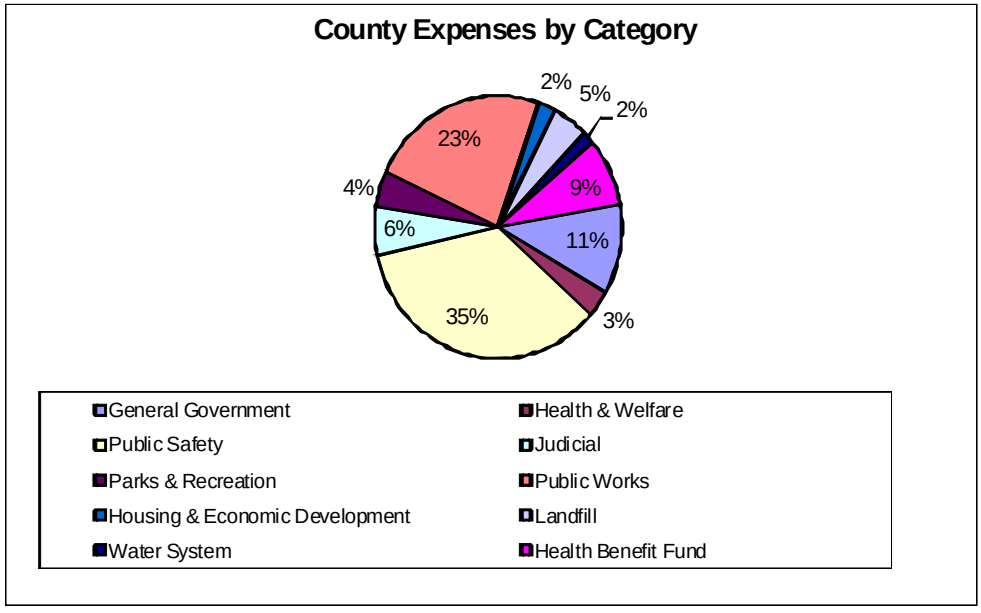
Business-type activities. Business-type activities actually increased the County's net assets for fiscal year 2010, by $272,455. Charges for services represented 98% of the total program revenue, while unrestricted investment earnings and other revenue combined for the remaining 2%. The following table also indicates the changes in net assets for business-type activities for the 2010 fiscal year:

CRISP COUNTY'S CHANGES IN NET ASSETS
June 30, 2010

	Governmental Activities		Business-type Activities		Total	
	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010
Revenues:						
Program revenues:						
Charges for services	$ 3,121,070	$ 3,898,468	$ 3,423,867	$ 3,814,168	$ 6,544,937	$ 7,712,636
Operating grants and contributions	1,263,342	1,251,541	-	-	1,263,342	1,251,541
Capital grants and contributions	483,089	770,043	-	-	483,089	770,043
General revenues:						-
Property taxes	6,958,770	7,300,051	-	-	6,958,770	7,300,051
Sales taxes	5,694,114	5,620,641	-	-	5,694,114	5,620,641
Franchise taxes	55,893	54,253	-	-	55,893	54,253
Insurance premimum tax	543,967	537,551	-	-	543,967	537,551
Other taxes	217,960	211,274	-	-	217,960	211,274
Unrestricted investment earnings	269,611	104,582	93,523	58,761	363,134	163,343
Gain on sale of assets	64,239	-	-	-	64,239	-
Total revenues	18,672,055	19,748,404	3,517,390	3,872,929	22,189,445	23,621,333
Expenses:						
General government	1,741,705	2,754,520	-	-	1,741,705	2,754,520
Judicial	1,243,695	1,487,005	-	-	1,243,695	1,487,005
Public safety	8,209,043	8,663,065	-	-	8,209,043	8,663,065
Public works	5,034,574	5,757,612	-	-	5,034,574	5,757,612
Health and welfare	572,260	778,097	-	-	572,260	778,097
Recreation	1,264,348	1,086,378	-	-	1,264,348	1,086,378
Housing and community development	1,198,697	583,248	-	-	1,198,697	583,248
Interest on long-term debt	3,050	19,967	-	-	3,050	19,967
Water	-	-	443,231	414,211	443,231	414,211
Landfill	-	-	1,206,900	1,107,507	1,206,900	1,107,507
Health Benefit Fund	-	-	2,016,355	2,078,756	2,016,355	2,078,756
Total expenses	19,267,372	21,129,892	3,666,486	3,600,474	22,933,858	24,730,366
Increase (decrease) in net assets before transfers	(595,317)	(1,381,488)	(149,096)	272,455	(744,413)	(1,109,033)
Transfers	(80,000)	-	80,000	-	-	-
Total increase (decrease) in net assets	(675,317)	(1,381,488)	(69,096)	272,455	(744,413)	(1,109,033)
Net assets, beginning of year	63,820,674	63,145,357	4,542,016	4,472,920	68,362,690	67,618,277
Net assets, end of year	$ 63,145,357	$ 61,763,869	$ 4,472,920	$ 4,745,375	$ 67,618,277	$ 66,509,244

Approximately 33% of the County's total revenue came from charges from services, 31% from property taxes, 24% from sales tax, while the remaining 13% came from various other revenues. The County's expenses cover a range of services. The largest expenses, 35%, are related to providing public safety, which includes law enforcement, fire protection, E-911 services, ambulance services, animal control, coroner and jail services.





Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the 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.

As of the end of the current fiscal year, the County's governmental funds reported an increase in combined ending fund balances from the previous year of $1,395,600 increasing that total by 13% up to $12,326,128.

The General Fund is the chief operating fund of Crisp County and ended the fiscal year with a fund balance of $6,799,046. Of that amount, $296,350 was reserved for prepaid items while the remaining $6,502,696 remains unreserved. As a measure of the General Fund's liquidity, it is useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 46% of total General Fund expenditures.

The 2000 and 2005 Sales Tax Funds have a combined total fund balance of $2,774,736, all of which is unreserved.

Proprietary Funds. The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water Fund at the end of the year amounted to $911,458. The Water Fund had operating income of $47,647 for fiscal year 2010 combined with net non-operating income (expenses) of $49,299, this fund's net assets decreased by $1,652 during fiscal year 2010.

Unrestricted net assets of the Landfill Fund at the end of the year amounted to a negative $294,683. The Landfill Fund's operating income of $314,212 combined with net non-operating income (expenses) of $141,959 provided an increase of $172,253 over the previous year's net asset balance.

Capital Asset and Debt Administration

Capital Assets. Crisp County's investment in capital assets for its governmental and business-type activities as of June 30, 2010, amounts to $58,768,580 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and construction in progress.

Crisp County's Capital Assets
(Net of Depreciation)

	Governmental Activities	Business-type Activities	
	2010	2010	Total
Land	$ 2,362,240	$ 765,223	$ 3,127,463
Construction in progress	69,272	1,532,352	1,601,624
Land improvements	4,728,227	-	4,728,227
Infrastructure	20,877,333	-	20,877,333
Plant & Buildings	18,298,719	6,316,170	24,614,889
Furniture, machinery & eq.	3,258,176	552,982	3,811,158
System Improvements	-	7,886	7,886
Total	$ 49,593,967	$ 9,174,613	$ 58,768,580

Major capital asset events during the current fiscal year included the following:

- Construction primarily completed on Phase III of the Northside Area Water & Sewer Improvement project, funded by a combination of sources, primarily grant revenue received from the State of Georgia CDBG program. Other sources of revenue applied to this project came from the City of Cordele and the Crisp County General Fund. Additional CDBG funding was applied for and approved during the year to continue enhancements to this area of Crisp County. The next phase will include curb and gutter improvements.
- Construction was completed on the new, state of the art, Crisp County Courthouse, funding provided primarily by SPLOST and a small percentage of miscellaneous revenue. All the court functions have moved into and are now operating from this facility.
- The old "Courthouse" was officially renamed the Crisp County Government Center. All the administrative and ad valorem tax functions remain housed at this location. Remodeling of several county offices at this facility, such as Finance, Elections and the Office of Tax Assessors was completed during the fiscal year funded by SPLOST.
- New equipment improving the County's 800 MHZ Public Safety Radio System was purchased, installed and near operation at June 30, 2010.
- New vehicles and equipment were purchased for the Crisp County Sheriff's office, Public Works and Sanitation Divisions, through a combination of SPLOST Funds and General Fund dollars.
- Several road projects were begun and completed to include the widening and resurfacing of Pateville Road, adjacent to the County's industrial development park. All of this was funded with a combination of SPLOST DOT Grant and General Fund revenues.
- Construction began as planned and is near completion on the new C&D cell at the Crisp County Landfill. Construction of the two MSW cells was delayed but is expected to resume and be completed within the next fiscal year.
- Additional information on the County's capital assets can be found in Note 6 on pages 42 - 45 of this report.

Long-Term Debt. As of June 30, 2010, Crisp County's long-term debt consisted of notes payable, capital lease payable, compensated absences, revenue bonds payable and landfill closure and postclosure care.

The County's total long-term debt for its governmental activities increased by $551,507 and by $895,667 for business-type activities during the fiscal year.

Additional information on the County's long-term debt can be found in Note 7 on pages 46 – 49 of this report.

Economic Factors

- Crisp County, as included in the River Valley Regional Commission of the State of Georgia, reports an unemployment rate of 11.1%, which exceeds both the rate for the State of Georgia of 10.5% and the national average of 9.7%.

Requests for Information

This financial report is designed to provide a general overview of Crisp 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 Sherrie Leverett, Finance Director, 210 South 7th Street, Room 309, Cordele, Georgia 31015 or sleverett@crispcounty.com.

CRISP COUNTY, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2010

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 4,232,475	$ 3,486,664	$ 7,719,139
Investments	5,921,712	132,725	6,054,437
Taxes receivable	695,218	-	695,218
Accounts receivable, net of allowances	69,616	326,643	396,259
Notes receivable	1,794,563	-	1,794,563
Internal balances	344,477	(344,477)	-
Due from other governments	879,855	4,028	883,883
Due from primary government	-	-	-
Inventories	-	-	-
Prepaid items	308,222	13,248	321,470
Other assets	261,280	13,489	274,769
Restricted assets:			
Cash	-	217,242	217,242
Assets limited as to use	-	-	-
Goodwill	-	-	-
Deferred financing costs	-	-	-
Investment in affiliated companies	-	-	-
Capital assets:			
Nondepreciable	2,431,512	2,297,575	4,729,087
Depreciable, net of accumulated depreciation	47,162,455	6,877,038	54,039,493
Long-term intangible asset	-	-	-
Total assets	64,101,385	13,024,175	77,125,560
LIABILITIES			
Accounts payable	862,552	41,770	904,322
Accrued liabilities	115,788	18,887	134,675
Customer deposits payable	-	57,253	57,253
Claims payable	-	137,020	137,020
Other payables	-	-	-
Due to other governments	98,760	14,672	113,432
Due to component units	182,677	-	182,677
Capital leases due within one year	46,378	80,985	127,363
Capital leases due in more than one year	99,243	-	99,243
Notes payable due within one year	141,246	301,627	442,873
Notes payable due in more than one year	452,976	4,122,942	4,575,918
Bonds payable due within one year	-	34,507	34,507
Bonds payable due in more than one year	-	1,629,252	1,629,252
Compensated absences due within one year	144,536	8,630	153,166
Compensated absences due more than one year	193,360	8,535	201,895
Closure and postclosure care costs	-	1,822,720	1,822,720
Total liabilities	2,337,516	8,278,800	10,616,316
NET ASSETS			
Invested in capital assets, net of related debt	48,854,124	3,005,300	51,859,424
Restricted for debt service	-	61,128	61,128
Restricted for renewal and extension	-	68,204	68,204
Restricted for capital projects	2,681,376	-	2,681,376
Unrestricted	10,228,369	1,610,743	11,839,112
Total net assets	$ 61,763,869	$ 4,745,375	$ 66,509,244

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

Component Units		
Crisp County Power Commission	Crisp Regional Health Service, Inc.	Crisp County Board of Health
$ 7,334,388	$ 3,067,000	$ 268,446
2,545,306	-	-
-	-	-
3,629,915	7,439,000	-
-	1,335,000	-
-	-	-
-	-	-
-	183,000	-
835,215	1,068,000	-
652,231	-	-
1,102,719	1,370,000	-
-	-	-
517,123	34,996,000	-
-	449,000	-
-	647,000	-
-	402,000	-
716,127	1,913,000	-
17,089,182	28,945,000	-
1,698,084	-	-
36,120,290	81,814,000	268,446
2,191,112	2,997,000	-
459,328	3,624,000	-
517,628	-	-
-	-	-
-	53,000	-
-	-	-
-	-	-
-	-	-
-	-	-
-	243,000	-
-	408,000	-
-	1,160,000	-
-	17,975,000	-
-	-	-
-	-	56,275
-	-	-
3,168,068	26,460,000	56,275
17,805,309	11,723,000	-
-	-	-
-	-	-
-	-	-
15,146,913	43,631,000	212,171
$ 32,952,222	$ 55,354,000	$ 212,171

CRISP COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 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	$ 2,754,520	$ 517,731	$ 26,130	$ -
Judicial	1,487,005	49,113	-	-
Public safety	8,663,065	3,180,114	457,263	428,344
Public works	5,757,612	9,064	768,148	-
Health and welfare	778,097	-	-	-
Parks and recreation	1,086,378	142,446	-	-
Housing and development	583,248	-	-	341,699
Interest on long-term debt	19,967	-	-	-
Total governmental activities	21,129,892	3,898,468	1,251,541	770,043
Business-type activities:				
Water system	414,211	407,195	-	-
Landfill	1,107,507	1,260,844	-	-
Self-insurance health benefit	2,078,756	2,146,129	-	-
Total business-type activities	3,600,474	3,814,168	-	-
Total primary government	$ 24,730,366	$ 7,712,636	$ 1,251,541	$ 770,043
Component unit:				
Crisp County Power Commission	$ 31,321,397	$ 34,974,253	$ -	$ -
Crisp Regional Health Services, Inc.	68,259,000	68,150,000	43,000	-
Crisp County Board of Health	802,561	398,865	410,989	-
Total component unit	$ 100,382,958	$ 103,523,118	$ 453,989	$ -
General revenues:				
Property taxes				
Sales taxes				
Franchise fees				
Insurance premium tax				
Other taxes				
Unrestricted investment earnings				
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 (Expenses) Revenues and Changes in Net Assets						
Primary Government			Component units			
Governmental Activities	Business-type Activities	Total	Crisp County Power Commission	Crisp Regional Health Services, Inc.	Crisp County Board of Health
$ (2,210,659)	$ -	$ (2,210,659)	$ -	$ -	$ -
(1,437,892)	-	(1,437,892)	-	-	-
(4,597,344)	-	(4,597,344)	-	-	-
(4,980,400)	-	(4,980,400)	-	-	-
(778,097)	-	(778,097)	-	-	-
(943,932)	-	(943,932)	-	-	-
(241,549)	-	(241,549)	-	-	-
(19,967)	-	(19,967)	-	-	-
(15,209,840)	-	(15,209,840)	-	-	-
-	(7,016)	(7,016)	-	-	-
-	153,337	153,337	-	-	-
-	67,373	67,373	-	-	-
-	213,694	213,694	-	-	-
(15,209,840)	213,694	(14,996,146)	-	-	-
$ -	$ -	$ -	$ 3,652,856	$ -	$ -
-	-	-	-	(66,000)	-
-	-	-	-	-	7,293
$ -	$ -	$ -	$ 3,652,856	$ (66,000)	$ 7,293
$ 7,300,051	$ -	$ 7,300,051	$ -	$ -	$ -
5,620,641	-	5,620,641	-	-	-
54,253	-	54,253	-	-	-
537,551	-	537,551	-	-	-
211,274	-	211,274	-	-	-
104,582	58,761	163,343	260,963	1,996,000	236
13,828,352	58,761	13,887,113	260,963	1,996,000	236
(1,381,488)	272,455	(1,109,033)	3,913,819	1,930,000	7,529
63,145,357	4,472,920	67,618,277	29,038,403	53,424,000	204,642
$ 61,763,869	$ 4,745,375	$ 66,509,244	$ 32,952,222	$ 55,354,000	$ 212,171

CRISP COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

ASSETS	General	CDBG Revolving Loan Fund	2000 Sales Tax Fund
Cash and cash equivalents	$ 2,747,095	$ 254,826	$ 166,476
Investments	3,854,684	-	1,650,744
Receivables, net of allowance:			
Taxes	695,218	-	-
Accounts	23,746	-	-
Notes	-	1,794,563	-
Due from other funds	488,045	118,909	55,058
Due from other governments	505,538	-	22,161
Prepaid items	296,350	-	-
Total assets	$ 8,610,676	$ 2,168,298	$ 1,894,439
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 558,443	$ -	$ 13,103
Accrued liabilities	92,013	-	-
Due to other funds	208,263	2,996	7,260
Due to component units	182,677	-	-
Due to other governments	98,760	-	-
Deferred revenues	671,474	-	-
Total liabilities	1,811,630	2,996	20,363
FUND BALANCES			
Fund balances:			
Reserved for:			
Prepaid items	296,350	-	-
Noncurrent loans receivable	-	1,794,563	-
Unreserved, reported in:			
General fund	6,502,696	-	-
Special revenue funds	-	370,739	-
Capital project funds	-	-	1,874,076
Total fund balances	6,799,046	2,165,302	1,874,076
Total liabilities and fund balances	$ 8,610,676	$ 2,168,298	$ 1,894,439

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.
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.
Net pension asset used in governmental activities is not a financial resource and, therefore, is not reported in governmental funds.
Certain liabilities are not due and payable in the current period and are, therefore, not reported in the funds.

Net assets of governmental activities

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

2005 Sales Tax Fund	Other Governmental Funds	Totals Governmental Funds
$ 741,952	$ 322,126	$ 4,232,475
-	416,284	5,921,712
-	-	695,218
-	45,870	69,616
-	-	1,794,563
139,501	-	801,513
352,156	-	879,855
-	11,872	308,222
$ 1,233,609	$ 796,152	$ 14,703,174
$ 158,982	$ 132,024	$ 862,552
-	12,534	104,547
173,967	64,550	457,036
-	-	182,677
-	-	98,760
-	-	671,474
332,949	209,108	2,377,046
-	11,872	308,222
-	-	1,794,563
-	-	6,502,696
-	668,532	1,039,271
900,660	(93,360)	2,681,376
900,660	587,044	12,326,128
$ 1,233,609	$ 796,152	
		49,593,967
		671,474
		261,280
		(1,088,980)
		$ 61,763,869

CRISP COUNTY, GEORGIA

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

	General	CDBG Revolving Loan Fund	2000 Sales Tax Fund
Revenues			
Property taxes	$ 7,170,898	$ -	$ -
Sales taxes	1,822,306	-	-
Franchise taxes	54,253	-	-
Insurance premium taxes	537,551	-	-
Other taxes	190,400	-	-
Licenses and permits	72,163	-	-
Intergovernmental	1,107,051	-	445,709
Charges for services	1,433,621	-	-
Fines and forfeitures	1,466,434	-	-
Interest income	70,246	26,141	4,553
Other revenues	154,068	-	-
Total revenues	14,078,991	26,141	450,262
Expenditures			
Current:			
General government	1,883,296	-	-
Judicial	1,456,450	-	-
Public safety	7,065,721	-	-
Public works	1,864,960	-	-
Health and welfare	736,167	-	-
Parks and recreation	791,108	-	-
Housing and development	425,194	11,099	-
Intergovernmental payments	-	-	-
Capital outlay	-	-	868,448
Debt service:			
Principal	-	-	44,341
Interest	-	-	8,726
Total expenditures	14,222,896	11,099	921,515
Excess (deficiency) of revenues over (under) expenditures	(143,905)	15,042	(471,253)
Other financing sources (uses)			
Proceeds from the sale of capital assets	32,023	-	-
Capital leases	-	-	-
Transfers in	10,437	-	-
Transfers out	(353,332)	-	-
Total other financing sources (uses)	(310,872)	-	-
Net change in fund balances	(454,777)	15,042	(471,253)
Fund balances (deficit), beginning of year	7,253,823	2,150,260	2,345,329
Fund balances, end of year	$ 6,799,046	$ 2,165,302	$ 1,874,076

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

2005 Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 7,170,898
3,900,017	-	5,722,323
-	-	54,253
-	-	537,551
-	20,874	211,274
-	-	72,163
140,000	328,824	2,021,584
-	481,033	1,914,654
-	290,994	1,757,428
1,504	2,138	104,582
-	155	154,223
4,041,521	1,124,018	19,720,933
-	-	1,883,296
-	42,596	1,499,046
-	1,085,805	8,151,526
-	431,057	2,296,017
-	-	736,167
-	-	791,108
-	10,437	446,730
664,621	-	664,621
1,561,552	-	2,430,000
-	-	44,341
-	-	8,726
2,226,173	1,569,895	18,951,578
1,815,348	(445,877)	769,355
-	-	32,023
594,222	-	594,222
-	353,332	363,769
	(10,437)	(363,769)
594,222	342,895	626,245
2,409,570	(102,982)	1,395,600
(1,508,910)	690,026	10,930,528
$ 900,660	$ 587,044	$ 12,326,128

CRISP 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 JUNE 30, 2010

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

Net change in fund balances - total governmental funds	$	1,395,600
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 depreciation exceeded captial outlay in the current period.		(1,587,899)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(718,094)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		27,471
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(549,881)
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.		51,315
	$	(1,381,488)

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

CRISP COUNTY, GEORGIA

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

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 7,462,584	$ 7,224,434	$ 7,170,898	$ (53,536)
Sales taxes	1,700,000	1,811,300	1,822,306	11,006
Franchise taxes	85,000	64,700	54,253	(10,447)
Insurance premium taxes	549,000	537,650	537,551	(99)
Other taxes	143,000	190,400	190,400	-
Licenses and permits	73,000	72,250	72,163	(87)
Intergovernmental	804,717	1,116,417	1,107,051	(9,366)
Charges for services	923,239	1,424,139	1,433,621	9,482
Fines and forfeitures	1,314,000	1,449,100	1,466,434	17,334
Interest revenue	130,000	69,900	70,246	346
Other revenues	132,914	169,364	154,068	(15,296)
Total revenues	13,317,454	14,129,654	14,078,991	(50,663)
Expenditures:				
Current:				
General government:				
Legislative	488,255	336,305	336,372	(67)
Executive	158,532	133,882	133,915	(33)
Elections	75,303	108,303	108,269	34
Financial administration	260,792	272,942	272,835	107
Data processing	46,888	76,538	76,561	(23)
Tax commissioner	262,388	268,588	268,514	74
Tax assessor	344,315	320,915	320,702	213
General government buildings and plant	350,430	366,030	366,128	(98)
Total general government	1,986,903	1,883,503	1,883,296	207
Judicial:				
Judicial administration	196,469	232,499	232,581	(82)
Clerk of superior court	367,196	363,046	362,955	91
District attorney	127,316	297,716	297,683	33
Magistrate court	210,430	203,030	202,960	70
Probate court	263,488	255,538	255,580	(42)
Juvenile court	46,499	53,199	53,186	13
Grand jury	20,000	23,800	23,809	(9)
Public defender	31,650	27,700	27,696	4
Total judicial	1,263,048	1,456,528	1,456,450	78
Public safety:				
Sheriff	2,709,081	2,769,631	2,770,037	(406)
Jail operations	2,074,435	2,393,835	2,393,930	(95)
Fire	1,451,261	1,136,361	1,125,535	10,826
EMS	430,038	571,088	571,052	36
Coroner	24,876	49,476	49,451	25
Other protection	81,098	155,628	155,716	(88)
Total public safety	6,770,789	7,076,019	7,065,721	10,298
Public works:				
Public works administration	1,341,885	1,276,435	1,276,331	104
Highways and streets	151,750	103,500	103,380	120
Solid waste collection	497,811	485,261	485,249	12
Total public works	1,991,446	1,865,196	1,864,960	236

(Continued)

CRISP COUNTY, GEORGIA

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

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health	$ 293,083	$ 285,783	$ 285,753	$ 30
Welfare	20,062	16,462	16,426	36
Community services	12,990	420,240	420,215	25
Public education	14,773	13,773	13,773	-
Total health and welfare	340,908	736,258	736,167	91
Parks and recreation:				
Recreation	719,236	670,435	678,216	(7,781)
Parks	133,050	112,900	112,892	8
Total parks and recreation	852,286	783,335	791,108	(7,773)
Housing and development:				
Conservation	132,146	111,246	111,175	71
Planning and zoning	144,724	142,274	142,307	(33)
Economic development and assistance	104,925	108,825	108,784	41
Economic opportunity	8,630	62,980	62,928	52
Total housing and development	390,425	425,325	425,194	131
Debt service:				
Interest	1,188	38	-	38
Total debt service	1,188	38	-	38
Total expenditures	13,596,993	14,226,202	14,222,896	3,306
Deficiency of revenues under expenditures	(279,539)	(96,548)	(143,905)	(47,357)
Other financing sources (uses)				
Proceeds from sale of assets	50,000	32,000	32,023	23
Transfers in	-	-	10,437	10,437
Transfers out	(745,052)	(353,352)	(353,332)	20
Total other financing sources (uses)	(695,052)	(321,352)	(310,872)	10,480
Net change in fund balances	(974,591)	(417,900)	(454,777)	(36,877)
Fund balances, beginning of year	7,253,823	7,253,823	7,253,823	-
Fund balances, end of year	$ 6,279,232	$ 6,835,923	$ 6,799,046	$ (36,877)

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

CRISP COUNTY, GEORGIA

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

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Interest revenue	$ 72,500	$ 26,150	$ 26,141	$ (9)
Total revenues	72,500	26,150	26,141	(9)
Expenditures:				
Current:				
Housing and development:				
Economic development and assistance	72,500	26,150	11,099	15,051
Total housing and development	72,500	26,150	11,099	15,051
Total expenditures	72,500	26,150	11,099	15,051
Excess of revenues over expenditures	-	-	15,042	15,042
Fund balances, beginning of year	2,150,260	2,150,260	2,150,260	-
Fund balances, end of year	$ 2,150,260	$ 2,150,260	$ 2,165,302	$ 15,042

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

CRISP COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Crisp County Water System	Crisp County Landfill	Self-Insurance Health Benefit Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 774,627	$ 1,604,920	$ 1,107,117	$ 3,486,664
Investments	-	132,725	-	132,725
Accounts receivable, net of allowances	33,501	269,271	23,871	326,643
Due from other funds	69,509	-	-	69,509
Due from other governments	-	4,028	-	4,028
Prepaid expenses	5,290	7,958	-	13,248
Restricted assets, cash	217,242	-	-	217,242
Total current assets	1,100,169	2,018,902	1,130,988	4,250,059
NONCURRENT ASSETS				
Other assets	-	13,489	-	13,489
Capital assets:				
Nondepreciable	-	2,297,575	-	2,297,575
Depreciable, net of accumulated depreciation	4,068,090	2,808,948	-	6,877,038
Total noncurrent assets	4,068,090	5,120,012	-	9,188,102
Total assets	5,168,259	7,138,914	1,130,988	13,438,161
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	2,895	38,875	-	41,770
Claims payable	-	-	137,020	137,020
Accrued liabilities	1,219	17,668	-	18,887
Due to other funds	-	413,986	-	413,986
Due to other governments	-	14,672	-	14,672
Current portion - capital leases	-	80,985	-	80,985
Current portion - notes payable	-	301,627	-	301,627
Current portion - compensated absences	1,392	7,238	-	8,630
Payable from restricted assets:				
Customer deposits	53,403	3,850	-	57,253
Revenue bonds payable, current portion	34,507	-	-	34,507
Total current liabilities	93,416	878,901	137,020	1,109,337
NONCURRENT LIABILITIES				
Notes payable, net of current portion	-	4,122,942	-	4,122,942
Revenue bonds payable, net of current portion	1,629,252	-	-	1,629,252
Compensated absences, net of current portion	470	8,065	-	8,535
Closure and postclosure care costs	-	1,822,720	-	1,822,720
Total long-term liabilities	1,629,722	5,953,727	-	7,583,449
Total liabilities	1,723,138	6,832,628	137,020	8,692,786
NET ASSETS				
Invested in capital assets, net of related debt	2,404,331	600,969	-	3,005,300
Restricted for debt service	61,128	-	-	61,128
Restricted for renewal and extension	68,204	-	-	68,204
Unrestricted	911,458	(294,683)	993,968	1,610,743
Total net assets	$ 3,445,121	$ 306,286	$ 993,968	$ 4,745,375

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

CRISP COUNTY, GEORGIA

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

	Crisp County Water System	Crisp County Landfill	Self-Insurance Health Benefit Fund	Totals
OPERATING REVENUES				
Charges for services	$ 407,195	$ 1,253,094	$ 1,980,031	$ 3,640,320
Other revenue	-	7,750	166,098	173,848
Total operating revenues	407,195	1,260,844	2,146,129	3,814,168
OPERATING EXPENSES				
Personal services	106,973	328,552	-	435,525
Cost of sales and services	23,122	196,796	1,665,149	1,885,067
Supplies	33,574	106,212	-	139,786
Administration	20,000	90,000	413,607	523,607
Depreciation and amortization	175,879	225,072	-	400,951
Total operating expenses	359,548	946,632	2,078,756	3,384,936
Operating income	47,647	314,212	67,373	429,232
NONOPERATING INCOME (EXPENSES)				
Interest income	5,364	18,916	34,481	58,761
Interest expense	(54,663)	(160,875)	-	(215,538)
Total nonoperating income (expenses)	(49,299)	(141,959)	34,481	(156,777)
Change in net assets	(1,652)	172,253	101,854	272,455
NET ASSETS, beginning of year	3,446,773	134,033	892,114	4,472,920
NET ASSETS, end of year	$ 3,445,121	$ 306,286	$ 993,968	$ 4,745,375

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

CRISP COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Crisp County Water System	Crisp County Landfill	Self-Insurance Health Benefit Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund users	$ -	$ -	$ 1,115,860	$ 1,115,860
Receipts from other customers	264,107	1,169,196	1,040,804	2,474,107
Payments to suppliers	(87,361)	(435,565)	(2,329,905)	(2,852,831)
Payments to employees	(109,742)	(329,082)	-	(438,824)
Net cash provided by (used in) operating activities	67,004	404,549	(173,241)	298,312
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(1,325,928)	-	(1,325,928)
Principal paid on capital leases	-	(77,737)	-	(77,737)
Proceeds from notes payable	-	1,288,154	-	1,288,154
Principal paid on bonds	(33,405)	-	-	(33,405)
Principal paid on notes payable	-	(286,287)	-	(286,287)
Interest paid	(54,663)	(180,199)	-	(234,862)
Net cash used in capital and related financing activities	(88,068)	(581,997)	-	(670,065)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	262,140	824,456	-	1,086,596
Interest and dividends received	5,364	18,916	34,481	58,761
Net cash provided by investing activities	267,504	843,372	34,481	1,145,357
Increase (decrease) in cash and cash equivalents	246,440	665,924	(138,760)	773,604
Cash and cash equivalents:				
Beginning of year	745,429	938,996	1,245,877	2,930,302
End of year	$ 991,869	$ 1,604,920	$ 1,107,117	$ 3,703,906
Classified as:				
Cash and cash equivalents	$ 774,627	$ 1,604,920	$ 1,107,117	$ 3,486,664
Restricted assets, cash	217,242	-	-	217,242
	$ 991,869	$ 1,604,920	$ 1,107,117	$ 3,703,906
Reconciliation of operating income to net cash provided by (used in) operating activities				
Operating income	$ 47,647	$ 314,212	$ 67,373	$ 429,232
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation and amortization	175,879	225,072	-	400,951
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(1,711)	(95,498)	10,535	(86,674)
Increase in due from other funds	(69,509)	-	-	(69,509)
Increase in due from other governments	-	(4,028)		(4,028)
Increase in prepaid expenses	(3,790)	(7,958)	-	(11,748)
Increase (decrease) in accounts payable	(3,479)	15,363	(251,149)	(239,265)
Increase (decrease) in accrued liabilities	(3,396)	944	-	(2,452)
Increase (decrease) in customer deposits	(1,927)	3,850	-	1,923
Decrease in due to other funds	(69,941)	(55,119)	-	(125,060)
Decrease in compensated absences	(2,769)	(530)	-	(3,299)
Increase in closure and postclosure costs	-	8,241	-	8,241
Net cash provided by (used in) operating activities	$ 67,004	$ 404,549	$ (173,241)	$ 298,312

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

CRISP COUNTY, GEORGIA

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

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 649,218
Accounts receivable	16,008
Taxes receivable	1,065,234
Total assets	$ 1,730,460
LIABILITIES	
Due to others	$ 665,226
Uncollected taxes	1,065,234
Total liabilities	$ 1,730,460

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Crisp County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. 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. Reporting Entity

Crisp County, Georgia was incorporated in the State of Georgia on August 17, 1905. The County is governed by an elected board of commissioners and an elected chairman of the board and provides the following services to the citizens of Crisp County: public safety (police and fire), public works, recreation, health and welfare services, education, judicial services, planning and community development, and general administrative services.

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 component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Government Accounting Standards Board Statement No. 14, "The Financial Reporting Entity"; the component units' financial statements are discretely presented in the government-wide financial statements.

The Board of the **Crisp County Power Commission** (the "Commission") oversees the operations of the Crisp County Power Commission. Three of the seven board members are appointed by the Board of County Commissioners while the other four are appointed by the County grand jury. The Commission has a December 31 year-end. Complete financial statements can be obtained at the following address: Crisp County Power Commission, 202 South 7th Street, Cordele, GA 31015.

The **Crisp Regional Health Services, Inc.** oversees the hospital facilities and related healthcare support services for the citizens of the County. The board is appointed by the County Commissioners and the County has the ability to impose its will over the organization. Complete financial statements can be obtained at the following address: Crisp Regional Health Services, Inc., 902 7th Street North, Cordele, GA 31015.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The **Crisp County Board of Health** (the "Board of Health) oversees the operations of the Crisp County Department of Public Health. The County provides financial support to the Department of Public Health and appoints a majority of the members of the Board of Health. Complete financial statements can be obtained at the following address: Crisp County Department of Public Health, 111 East 24th Avenue, Cordele, GA 31015.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *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 segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

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 compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, 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 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 ***CDBG Revolving Loan Fund*** is a special revenue fund used 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 Department of Community Affairs.

The ***2000 Sales Tax Fund*** is a capital projects fund used to account for construction of roads, sidewalks, water system improvements, landfill development and construction of municipal buildings. Financing is provided by a special purpose sales and use tax.

The ***2005 Sales Tax Fund*** is a capital projects fund used to account for the acquisition, construction, equipping and installation of certain capital outlay projects for the benefit of all Crisp County citizens. Financing is provided by a special purpose sales and use tax.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major proprietary funds:

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

The ***Crisp County Landfill*** is an enterprise fund used to account for the revenues and expenses associated with the operation of the County's landfill.

The ***Self-Insurance Health Benefit Fund*** is used to account for the self-insured health benefit plan provided for the employees of the County, Crisp County Power Commission, Solid Waste Management Authority, and Southwest Georgia United Empowerment Zone.

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 December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues of the enterprise funds and internal service fund 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 nonoperating 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.

D. Cash, Cash Equivalents and Investments

The County and 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.

State statutes authorize the County and discretely presented component units to invest in obligations of the U.S. Treasury, certificates of deposit, repurchase agreements, money market accounts, and the local government investment pool of the State of Georgia (Georgia Fund 1). Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings net of management fees on a monthly basis and determines participants' shares sold and redeemed based on $1.00 per share.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. In accordance with GASB 34, infrastructure assets acquired after June 30, 1980 have been capitalized. Capital assets are defined by the County as assets with an initial, individual cost of more than $1,500 and an estimated useful life in excess of two 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.

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.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of assets constructed. The total interest expense incurred by the County during the current fiscal year was $238,649. Of this amount, $14,385 was included as part of the cost of capital assets under construction in connection with the Landfill expansion project.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Capital assets of the primary government, the Crisp County Board of Health (component unit) and Crisp Regional Health Services (component unit) are depreciated using the straight line method over the following useful lives:

Asset Category	Years
Primary Government	
Furniture and fixtures	5-7
Machinery and equipment	5-15
System improvements	35
Buildings	20-50
Infrastructure	20
Crisp County Board of Health	
Machinery and equipment	10
Computers	5
Crisp Regional Health Service, Inc.	
Buildings and improvements	20-40
Fixed equipment	15-25
Movable equipment	3-15

Capital assets for the Crisp County Power Commission (component unit) include an electric plant that is stated at original cost, which includes applicable general and administrative costs. Plant retirements are charged against appropriate accumulated depreciation accounts. Depreciation of the electric plant is computed using the straight-line method over the expected life of the plant. Annual depreciation provisions, expressed as a percentage of average depreciable property, were as follows for 2009:

Intangible Plant	2.50%
Steam and Gas Plant	5.00%
Hydraulic Plant	4.00%
Transmission Plant	3.33%
Distribution Plant	4.00%
General Plant	2.0% - 20.00%
Vehicles	16.66%

The composite electric utility plant depreciation rates are based on engineering studies which are periodically updated.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when the employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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 disclosure 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 these 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 a 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 $1,088,980 difference are as follows:

Accrued interest payable	$	11,241
Capital leases		145,621
Notes payable		594,222
Compensated absences		337,896
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	1,088,980

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 $1,587,899 difference are as follows:

Capital outlay	$	1,919,005
Depreciation expense		(3,506,904)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(1,587,899)

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 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 $51,315 difference are as follows:

Change in:		
Compensated absences	$	(1,626)
Net pension asset		64,182
Accrued interest		(11,241)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	51,315

Another element of that reconciliation states 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 $549,881 difference are as follows:

Debt issued - capital lease	$	(594,222)
Principal payments - capital lease		44,341
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(549,881)

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. No later than January 15th of each year, the County Commission shall approve the subsequent fiscal year’s budget calendar. This calendar shall include specific dates for completion of each task necessary to prepare, review, and approve the County’s operating budget. The budget calendar shall establish the date to have a completed budget approved and adopted.

NOTE 3. LEGAL COMPLIANCE - BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

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

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

4. 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.

5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund and each special revenue fund.

6. The County budgets the capital projects funds on a project basis with the term of the project being longer than the County's fiscal period.

7. 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 Crisp County.

NOTE 3. LEGAL COMPLIANCE - BUDGETS (CONTINUED)

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2010, the following departments had excesses of actual expenditures over appropriations, which were funded by available fund balance of the General Fund:

	Excess
Legislative	$ 67
Executive	33
Data processing	23
General government buildings and plant	98
Judicial administration	82
Probate court	42
Grand Jury	9
Sheriff	406
Jail operations	95
Other protection	88
Recreation	7,781
Planning and zoning	33

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; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

At June 30, 2010, the County had the following investments:

Investments	Maturities	Fair Value
Primary government:		
Georgia Fund 1	41 day weighted average	$ 5,638,153
Certificates of deposit	217 day weighted average	416,284
		$ 6,054,437

As of June 30, 2010, the County's investment in Georgia Fund 1 was rated AAAm by Standard & Poor's.

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 June 30, 2010, none of the County deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

Interest rate risk – Crisp Regional Health Services, Inc. Crisp Regional Health Services, Inc. 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.

Interest rate risk – Crisp County Board of Health. The Board of Health 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.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk – Crisp County Power Commission. The Crisp County Power Commission 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 – Crisp County Power Commission. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County 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 December 31, 2009, none of the County deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

NOTE 5. RECEIVABLES

Receivables at June 30, 2010, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General	CDBG Revolving Loan	Crisp County Water System	Crisp County Landfill
Receivables:				
Taxes	$ 736,082	$ -	$ -	$ -
Accounts	23,746		33,501	269,271
Notes	-	2,255,305	-	-
	759,828	2,255,305	33,501	269,271
Less allowance for uncollectibles	(40,864)	(460,742)	-	-
Total receivables	$ 718,964	$ 1,794,563	$ 33,501	$ 269,271

	Self-Insurance Health Benefit	Other Funds	Total
Receivables:			
Taxes	$ -	$ -	$ 736,082
Accounts	23,871	45,870	396,259
Notes	-	-	2,255,305
	23,871	45,870	3,387,646
Less allowance for uncollectibles	-	-	(501,606)
Total receivables	$ 23,871	$ 45,870	$ 2,886,040

NOTE 5. RECEIVABLES (CONTINUED)

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:

Levy date	September 8, 2009
Payment due date	December 20, 2009
Delinquency date	December 21, 2009
Collection dates	September 10, 2009 through December 20, 2009

Notes receivable consist of community development loans to individuals and businesses. Financing has been provided by various federal and state grants.

NOTE 6. CAPITAL ASSETS

A. Primary Government

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 2,362,240	$ -	$ -	$ -	$ 2,362,240
Construction in progress	9,109,014	68,522	-	(9,108,264)	69,272
Total	11,471,254	68,522	-	(9,108,264)	2,431,512
Capital assets, being depreciated:					
Land improvements	6,804,924	36,822	(8,925)	108,289	6,941,110
Infrastructure	69,716,421	72,785	-	-	69,789,206
Plant and buildings	14,006,019	387,106	(815,706)	8,999,975	22,577,394
Furniture, machinery, and equipment	13,366,756	1,353,770	(178,173)	-	14,542,353
Total	103,894,120	1,850,483	(1,002,804)	9,108,264	113,850,063
Less accumulated depreciation for:					
Land improvements	(1,901,753)	(312,305)	1,175	-	(2,212,883)
Infrastructure	(46,944,330)	(1,967,543)	-	-	(48,911,873)
Plant and buildings	(3,891,857)	(492,180)	105,362	-	(4,278,675)
Furniture, machinery, and equipment	(10,727,474)	(734,876)	178,173	-	(11,284,177)
Total	(63,465,414)	(3,506,904)	284,710	-	(66,687,608)
Total capital assets, being depreciated, net	40,428,706	(1,656,421)	(718,094)	9,108,264	47,162,455
Governmental activities capital assets, net	$ 51,899,960	$ (1,587,899)	$ (718,094)	$ -	$ 49,593,967

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 765,223	$ -	$ -	$ 765,223
Construction in progress	192,039	1,340,313	-	1,532,352
Total capital assets, not being depreciated	957,262	1,340,313	-	2,297,575
Capital assets, being depreciated:				
Plant and buildings	12,811,638	-	-	12,811,638
Furniture, machinery, and equipment	3,160,363	-	-	3,160,363
System improvements	213,954	-	-	213,954
Total	16,185,955	-	-	16,185,955
Less accumulated depreciation for:				
Plant and buildings	(6,280,244)	(215,224)	-	(6,495,468)
Furniture, machinery, and equipment	(2,425,635)	(181,746)	-	(2,607,381)
System improvements	(204,273)	(1,795)	-	(206,068)
Total	(8,910,152)	(398,765)	-	(9,308,917)
Total capital assets, being depreciated, net	7,275,803	(398,765)	-	6,877,038
Business-type activities capital assets, net	$ 8,233,065	$ 941,548	$ -	$ 9,174,613

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

Governmental activities:	
General government	$ 253,354
Judicial	11,269
Public safety	649,820
Public works	2,118,653
Health and welfare	41,930
Parks and recreation	295,981
Housing and development	135,897
Total depreciation expense - governmental activities	$ 3,506,904
Business-type activities	
Water system	$ 175,879
Landfill	222,886
Total depreciation expense - business-type activities	$ 398,765

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission

	Balance January 1, 2009	Additions	Deletions	Transfers	Balance December 31, 2009
Capital assets, not being depreciated:					
Land and land rights	$ 572,295	$ -	$ -	$ -	$ 572,295
Construction in progress	235,156	1,418,929	-	(1,510,253)	143,832
Total capital assets, not being depreciated	807,451	1,418,929	-	(1,510,253)	716,127
Capital assets, being depreciated:					
Intangible plant	105,616	-	-	-	105,616
Steam and gas plant	6,119,421	-	-	-	6,119,421
Hydraulic plant	7,208,116	-	-	2,955	7,211,071
Transmission plant	2,422,664	-	-	-	2,422,664
Distribution plant	40,592,665	-	(41,180)	1,269,030	41,820,515
General plant	7,391,685	-	(119,590)	238,268	7,510,363
Total capital assets, being depreciated	63,840,167	-	(160,770)	1,510,253	65,189,650
Less accumulated depreciation for:					
Intangible plant	(65,671)	(2,208)	-	-	(67,879)
Steam and gas plant	(6,103,490)	(6,552)	-	-	(6,110,042)
Hydraulic plant	(6,118,505)	(280,447)	-	-	(6,398,952)
Transmission plant	(2,380,253)	(1,269)	-	-	(2,381,522)
Distribution plant	(26,377,198)	(1,574,608)	41,180	-	(27,910,626)
General plant	(5,119,264)	(228,141)	115,958	-	(5,231,447)
Total accumulated depreciation	(46,164,381)	(2,093,225)	157,138	-	(48,100,468)
Total capital assets, being depreciated, net	17,675,786	(2,093,225)	(3,632)	1,510,253	17,089,182
Total capital assets	$ 18,483,237	$ (674,296)	$ (3,632)	$ -	$ 17,805,309

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Crisp Regional Health Services, Inc.

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,913,000	$ -	$ -	$ 1,913,000
Construction in progress	244,000	1,477,000	(1,721,000)	-
Total	2,157,000	1,477,000	(1,721,000)	1,913,000
Capital assets, being depreciated:				
Building and improvements	35,011,000	687,000	(29,000)	35,669,000
Fixed equipment	10,056,000	1,294,000	(2,000)	11,348,000
Movable equipment	18,318,000	1,389,000	(181,000)	19,526,000
Total	63,385,000	3,370,000	(212,000)	66,543,000
Less accumulated depreciation for:				
Building and improvements	(13,905,000)	(1,134,000)	30,000	(15,009,000)
Fixed equipment	(7,602,000)	(690,000)	1,000	(8,291,000)
Movable equipment	(13,074,000)	(1,364,000)	140,000	(14,298,000)
Total	(34,581,000)	(3,188,000)	171,000	(37,598,000)
Total capital assets, being depreciated, net	28,804,000	182,000	(41,000)	28,945,000
Total capital assets, net	$ 30,961,000	$ 1,659,000	$ (1,762,000)	$ 30,858,000

D. Discretely Presented Component Unit – Crisp County Board of Health

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 10,300	$ -	$ -	$ 10,300
Computers	9,431	-	-	9,431
Total	19,731	-	-	19,731
Less accumulated depreciation for:				
Machinery and equipment	(10,300)	-	-	(10,300)
Computers	(9,431)	-	-	(9,431)
Total	(19,731)	-	-	(19,731)
Total capital assets, being depreciated, net	-	-	-	-
Crisp County Board of Health capital assets, net	$ -	$ -	$ -	$ -

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	$ -	$ 594,222	$ -	$ 594,222	$ 141,246
Capital leases payable	189,962	-	44,341	145,621	46,378
Compensated absences	336,270	292,135	290,509	337,896	144,536
Governmental activities long-term liabilities	$ 526,232	$ 886,357	$ 334,850	$ 1,077,739	$ 332,160
Business-type activities:					
Notes payable	$ 3,422,702	$ 1,288,154	$ 286,287	$ 4,424,569	$ 301,627
Capital leases payable	158,722	-	77,737	80,985	80,985
Revenue bonds payable	1,697,164	-	33,405	1,663,759	34,507
Compensated absences	20,464	15,950	19,249	17,165	8,630
Closure and postclosure care	1,814,479	8,241	-	1,822,720	-
Business-type activities long-term liabilities	$ 7,113,531	$ 1,312,345	$ 416,678	$ 8,009,198	$ 425,749
Component unit - Crisp Regional Health Services, Inc.					
Notes payable	$ 1,124,000	$ -	$ 473,000	$ 651,000	$ 243,000
Revenue bonds payable	20,235,000	-	1,100,000	19,135,000	1,160,000
Crisp Regional Health Services, Inc. long-term liabilities	$ 21,359,000	$ -	$ 1,573,000	$ 19,786,000	$ 1,403,000
Component unit - Crisp County Board of Health:					
Compensated absences	$ 79,245	$ -	$ 22,970	$ 56,275	$ -
Crisp County Board of Health long-term liabilities	$ 79,245	$ -	$ 22,970	$ 56,275	$ -

For governmental activities, compensated absences are generally liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Crisp County Water System and Crisp County Landfill Funds.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government

Notes Payable. The County has incurred debt to the Georgia Environmental Facilities Authority (GEFA) for landfill improvements. These notes are as follows at June 30, 2010:

Purpose	Original Amount	Interest Rate	Due Date	Balance at June 30, 2010
Landfill improvements	$ 1,046,849	5.16%	2014	$ 299,463
Landfill improvements	1,508,343	2.00%	2020	885,857
Landfill improvements	1,289,280	2.00%	2021	833,319
Landfill improvements	1,417,970	3.98%	2024	1,117,776
Landfill improvements	1,288,154	3.89%	2032	1,288,154
				4,424,569
			Less current maturities	(301,627)
				$ 4,122,942

The debt service requirement to maturity below does not include provision for the Georgia Environmental Facilities Authority note payable, of which $1,288,154 had been drawn as of June 30, 2010. This obligation is in the drawdown phase as of June 30, 2010, and repayment will be determined when all draws have been made.

Fiscal Year Payable	Total	Principal	Interest
2011	$ 442,356	$ 301,627	$ 140,729
2012	442,356	311,731	130,625
2013	442,356	322,235	120,121
2014	366,849	256,673	110,176
2015	341,679	237,853	103,826
2016 - 2020	1,683,341	1,261,026	422,315
2021 - 2025	733,048	445,270	287,778
	$ 4,451,985	$ 3,136,415	$ 1,315,570

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of 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 date of their inceptions. Total cost of assets under capital lease as of June 30, 2010, is $623,086, which consists of equipment, with $243,030 included in governmental activities and $380,056 included as business-type activities on the statement of net assets.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Leases (Continued). The County's total capital lease debt service requirements to maturity are as follows:

	Governmental Activities	Business-type Activities
Fiscal year ending June 30,		
2011	$ 53,067	$ 82,795
2012	53,067	-
2013	53,068	-
Total minimum lease payments	159,202	82,795
Less amount representing interest	(13,581)	(1,810)
Present value of minimum lease payments	$ 145,621	$ 80,985

Revenue Bonds Payable. The County issued Series 1997A Water Revenue bonds in the principal amount of $1,941,340. These bonds matured and were reissued as Series 1999A Water Revenue Bonds in January 1999. Upon their maturity in December 1999, Series 1999B Water Revenue bonds were issued. These bonds were purchased by the United States Department of Agriculture and are being repaid over 40 years beginning December 28, 2000. These bonds are payable in monthly installments of $7,399 including interest at 3.25%. Final payment is due September 28, 2039.

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

Fiscal Year Payable	Total	Principal	Interest
2011	$ 88,068	$ 34,507	$ 53,561
2012	88,068	35,645	52,423
2013	88,068	36,821	51,247
2014	88,068	38,036	50,032
2015	88,068	39,290	48,778
2016 - 2020	440,340	216,771	223,569
2021 - 2025	440,340	254,964	185,376
2026 - 2030	440,340	299,886	140,454
2031 - 2035	440,340	352,723	87,617
2036 - 2040	381,158	355,116	26,042
	$ 2,582,858	$ 1,663,759	$ 919,099

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Component Unit – Crisp Regional Health Services, Inc.

Notes Payable. Crisp Regional Health Services, Inc. has a note payable in the original principal amount of $1,200,000. The note is payable monthly in the amount of $22,123, including interest at 3.98%, is collateralized by equipment, and the final payment is due August 2010. Crisp Regional Health Services, Inc. also has a note payable in the original principal amount of $1,101,020. The note is payable monthly in the amount of $20,169, including interest at 3.73%, is collateralized by equipment, and the final payment is due March 2013.

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

Fiscal Year Payable	Total	Principal	Interest
2011	$ 263,000	$ 243,000	$ 20,000
2012	242,000	231,000	11,000
2013	180,000	177,000	3,000
	$ 685,000	$ 651,000	$ 34,000

Revenue Bonds Payable. Crisp Regional Health Services, Inc. issued Series 1996 Revenue Bonds in the original principal amount of $16,000,000. Principal payments are due July 1 each year through 2015 with interest rates varying from 4.75% to 5.45%. These bonds are collateralized by the Crisp Regional Health Services, Inc.'s gross revenue and are guaranteed by Crisp County and an insurance policy. Crisp Regional Health Services, Inc. issued Series 2008A Revenue Bonds in the original principal amount of $10,000,000 and Series 2008B Revenue Bonds in the original principal amount of $3,000,000. Principal payments are due July 1 each year through 2027 with interest rates varying from 3.13% to 4.00%. These bonds are collateralized by the Crisp Regional Health Services, Inc.'s gross revenue and are guaranteed by Crisp County and an insurance policy.

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

Fiscal Year Payable	Total	Principal	Interest
2011	$ 1,990,000	$ 1,160,000	$ 830,000
2012	1,989,000	1,220,000	769,000
2013	1,991,000	1,285,000	706,000
2014	1,995,000	1,355,000	640,000
2015	2,001,000	1,430,000	571,000
2016 - 2020	6,916,000	4,915,000	2,001,000
2021 - 2025	5,924,000	4,750,000	1,174,000
2026 - 2028	3,253,000	3,020,000	233,000
	$ 26,059,000	$ 19,135,000	$ 6,924,000

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Landfill Fund	$ 413,986
General Fund	2000 Sales Tax Fund	7,260
General Fund	CDBG Revolving Loan Fund	2,996
General Fund	Nonmajor Governmental Funds	63,803
2005 Sales Tax Fund	General Fund	138,754
2000 Sales Tax Fund	2005 Sales Tax Fund	55,058
2005 Sales Tax Fund	Nonmajor Governmental Funds	747
CDBG Revolving Loan Fund	2005 Sales Tax Fund	118,909
Water System Fund	General Fund	69,509
		$ 871,022

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

Interfund transfers:

	Transfers Out		
Transfers In	General Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 10,437	$ 10,437
Nonmajor Governmental Funds	353,332	-	353,332
Total	$ 353,332	$ 10,437	$ 363,769

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 9. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County place a cover on its landfills when they are filled and perform certain maintenance and monitoring functions for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision is being recognized based on the estimated future closure and postclosure care costs to be incurred near or after the date the landfill no longer accepts waste. A liability equal to estimated future costs related to these requirements is recorded based on the percentage of landfill capacity used to date. The estimated total cost of the landfill closure and postclosure care costs is based on the amount that would be paid if all equipment facilities and services required to close, monitor and maintain the landfill were acquired or incurred as of June 30, 2010. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations.

At the present rate of disposal, it is estimated that the remaining lifespan of the Subtitle D Landfill is 27 years.

A summary of the liability recorded at June 30, 2010 for closure and postclosure care costs is as follows:

	Vertical Landfill	Subtitle D Landfill	Total
Estimated closure costs	$ -	$ 3,352,477	$ 3,352,477
Estimated postclosure care costs	804,501	2,554,051	3,358,552
	804,501	5,906,528	$ 6,711,029
Percentage of capacity filled, June 30, 2010	100%	17.24%	
Closure and postclosure care cost liability	$ 804,501	$ 1,018,219	$ 1,822,720

NOTE 10. DEFINED BENEFIT PENSION PLANS

A. Primary Government

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Crisp County Employees (The Plan), which is a defined benefit pension plan. All full-time employees are eligible to participate in the County's noncontributory defined benefit pension plan after completion of three years of service.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. Complete financial statements for the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from GEBCorp, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

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 the State of Georgia statutes. Plan participants do not contribute to the plan.

Annual Pension Cost

The County's annual pension cost and net pension asset for the pension plan for the current and prior years are as follows:

	2010	2009
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 737,242	$ 698,935
Interest on Net Pension Obligation	(20,249)	(15,275)
Amortization of Net Pension Obligation	21,666	16,344
Annual Pension Cost	$ 738,659	$ 700,004

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. Primary Government (Continued)

Derivation of Net Pension Obligation

Annual Pension Cost for Fiscal Year 2009	$ 700,004
Actual Contributions to Plan for Fiscal Year 2009	764,186
Increase (Decrease) in Net Pension Obligation	(64,182)
Net Pension Obligation (Asset) as of June 30, 2009	(197,098)
Net Pension Obligation (Asset) as of June 30, 2010	$ (261,280)

Basis of Valuation

Current Valuation Date	January 1, 2010
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	5.0% -7.5% based on age
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)

The period for amortizing the initial unfunded actuarial accrued liability is 15 years from 1983 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, and over 30 years for changes in actuarial assumptions and cost methods.

Trend Information for The Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/2008	$ 678,446	$ 747,026	110 %	$ (128,518)
1/1/2009	700,004	764,186	109	(197,098)
1/1/2010	738,659	N/A	N/A	(261,280)

Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Accrued Liability as a Percentage of Covered Payroll
12/31/2009	$ 7,551,435	$ 10,242,435	$ 2,691,000	73.7%	$ 5,102,829	52.7%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial 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 long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2009.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission

Plan Description

The Commission provides a defined benefit pension plan to substantially all of its full time employees. The Crisp County Power Commission Retirement Plan, which is a single employer plan, is overseen by a Retirement Committee appointed by the Commission. The Commission is responsible for establishing and amending plan benefits. Employees are vested in the plan after 10 years of service. The normal form of benefit payment is a monthly life annuity with 60 payments guaranteed. The Plan's assets are held by and the Plan is administered by Edward Jones. Swerdlin & Company, the Plan's actuary, submits an annual report to the Commission. That report may be obtained by writing to Swerdlin & Company, 5901 Peachtree Dunwoody Road, B-170, Atlanta, Georgia 30328.

Funding Policy

The Commission is responsible for establishing obligations to contribute to the plan and for amending the funding policy. Contributions by the Commission are normal cost plus amortization of the unfounded provision of Georgia law. Currently, the Commission contributes 8% of the base pay of active participants to the plan. Plan members are neither required nor allowed to contribute to the plan. The total pension cost was $557,903 for 2009.

For the year ended December 31, 2008, the Commission's total payroll for all employees was $2,947,996. Covered payroll totaled $2,600,937. The plan has sixty (60) active participants, eleven (11) with deferred benefits, and twenty-eight (28) retirees or their beneficiaries currently receiving benefits in pay status.

The Commission's plan is revalued every year. Therefore, the most current valuation is as of January 1, 2009. This report was prepared using the projected unit credit actuarial cost method. The actuarial assumptions include a) 8% investment return, compounded annually and b) earnings progression of 4.5% compounded annually. The provision for expense includes amortization of prior service costs over a 40-year period for the initial plan and amortization of prior service costs over a 20-year period for the amendment made to the plan January 1, 1987.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission (Continued)

Trend Information

Trend information, which gives an indication of the progress made in accumulating sufficient assets to pay benefits when due, is presented below.

Fiscal Period Ending	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
December 31, 2005	$ 266,640	100 %	$ -
December 31, 2006	362,967	100	-
December 31, 2007	367,144	100	-
December 31, 2008	368,416	100	-
December 31, 2009	557,903	100	-

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded) Accrued Liability	Funded Ratio	Annual Covered Payroll	Actuarial Accrued Liability as a Percentage of Covered Payroll
January 1, 2004	$ 4,668,491	$ 5,328,490	$ 659,999	87.6 %	$ 2,107,367	31.3 %
January 1, 2005	4,864,202	5,673,489	809,287	85.7	2,342,269	34.6
January 1, 2006	5,339,044	5,743,283	404,239	93.0	2,253,355	17.9
January 1, 2007	5,603,800	6,538,321	934,521	85.7	2,386,059	39.2
January 1, 2008	6,222,831	6,718,646	495,815	92.6	2,454,362	20.2
January 1, 2009	5,384,913	7,519,536	2,134,623	71.6	2,600,937	82.1

C. Discretely Presented Component Unit – Crisp County Board of Health

The employees of the Crisp County Board of Health participate in the Georgia State Employees' Retirement System (the "Plan"), a multi-employer defined contribution plan. The Plan is administered by the State of Georgia, and accumulated benefits and Plan assets are not determined or allocated to the individual participating governmental entities. The Georgia State Employees' Retirement System requires 10 years of continuous service to become fully vested. The total retirement contributions to the Georgia State Employees' Retirement System for the year ended June 30, 2010 were $56,363 based on qualifying salaries of $467,864. Ten year historical trend information and relevant actuarial information may be obtained from the Employees' Retirement System of Georgia.

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Association of County Commissioners of Georgia (ACCG) Group Self-Insurance Workers' Compensation Fund and the Interlocal Risk Management Agency Property and Liability Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' 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 funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the Workers' Compensation Law of Georgia. The funds are 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.

The County, Crisp County Power Commission, the Solid Waste Management Authority of Crisp County and the Southwest Georgia United Empowerment Zone maintain a self-insured medical benefit plan for their employees. The plan is accounted for as an enterprise fund of the County, is funded according to plan experience, and serves to reduce overall healthcare costs of the County, Power Commission, Solid Waste Management Authority of Crisp County, Southwest Georgia United Empowerment Zone and their employees. The County purchases specific and aggregate stop loss insurance coverage to protect itself in unusual circumstances. Claims payable at June 30, 2010 were estimated based on the loss analysis report provided by a third-party administrator and pending specific stop loss reimbursements.

NOTE 11. RISK MANAGEMENT (CONTINUED)

Changes in medical claims payable for the years ended June 30 are as follows:

	June 30, 2010	June 30, 2009
Unpaid claims, beginning of fiscal year	$ 388,169	$ 171,675
Incurred claims (including IBNRs)	1,665,149	1,634,682
Claim payments and changes in estimates	(1,916,298)	(1,418,188)
Unpaid claims, end of fiscal year	$ 137,020	$ 388,169

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES

A. 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.

B. 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.

C. Component Unit – Crisp County Power Commission

The Crisp County Power Commission has entered into contracts with the Municipal Electric Authority of Georgia ("MEAG") which require the Commission to purchase, from MEAG, some of the Commission's bulk power supply, other than power supplied by federally owned generation projects. These contracts contain certain minimum purchase requirements regardless of the Commission's actual usage. MEAG is authorized to establish rates and charges so as to produce revenues sufficient to cover its operating costs and to retire any bonds issued by MEAG. In the event that revenues are insufficient to cover all costs and retire such bonds, the Commission is obligated to pay its entitlement share of the costs of the output and services of generating units acquired or constructed by MEAG. These obligations, which extend through 2054, are general obligations of the Commission to which the Commission's full faith and credit are pledged (generation debt extends to 2024 and transmission debt to 2054). The Commission's obligations to MEAG for power supply costs are based on MEAG's costs and the Commission's demand for bulk power supply, subject to certain minimum amounts.

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

C. Component Unit – Crisp County Power Commission (Continued)

At December 31, 2009, MEAG's bonds were outstanding in the approximate principal amount of $4 billion. The Commission's entitlement share of that amount totals approximately $149 million at December 31, 2009.

On January 1, 1999, the Commission approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust includes two (2) types of funds, which are held in the name of the Commission. The first type represents amounts that are available to the Commission for withdrawal without restriction. The second type represents amounts that are available to the Commission in the form of a loan or an off-set to billings from MEAG for power usage if certain criteria related to the difference between the cost of power generated by MEAG facilities and the market rates for power are met.

NOTE 13. JOINT VENTURES

A. River Valley Regional Commission

Under Georgia law, Crisp County, in conjunction with cities and counties in the sixteen-county west central Georgia area, is a member of the River Valley Regional Commission (RVRC). During its year ended June 30, 2010, the County paid $10,255 in such dues. Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RVRC in Georgia. The RVRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the River Valley Regional Commission, 1428 Second Avenue, Columbus, Georgia 31902.

NOTE 13. JOINT VENTURES (continued)

B. Crisp/Dooly Joint Development Authority

The County, in conjunction with Dooly County is a member of the Crisp/Dooly Joint Development Authority (the "Authority"). The Authority has fiscal responsibility relative to the strategic plan adopted for the Crisp/Dooly Enterprise Community. The Authority's board members are appointed in an equal number by the Crisp and Dooly County Commissioners. The County does not have an equity interest in the Crisp/Dooly Joint Development Authority, and the joint venture is not expected to provide a financial benefit or burden to the County. Information concerning the financial statements may be obtained from the Crisp/Dooly Joint Development Authority.

NOTE 14. RELATED ORGANIZATION

Solid Waste Management Authority of Crisp County

The Solid Waste Management Authority (SWMA) is governed by a seven-member board consisting of the Board of Commissioners of Crisp County and two members appointed by the Commissioners. The SWMA was formed to provide solid waste disposal and recycling services to the citizens of the County.

The SWMA recycling facility and equipment were placed in operation in October 1998. Soon thereafter, the facility proved to be inadequate in handling the volume of waste necessary to support itself. Upon default of the bond payments in August 2001, the operations of the SWMA were taken over by its bond insurers, Financial Security Assurance, Inc. Subsequent thereto, the County landfill stopped taking SWMA waste. Because Crisp County has no influence over the operations of the SWMA, it does not have the ability to impose its will on the organization.

NOTE 15. HOTEL/MOTEL TAX

The County imposes a 3% hotel/motel tax on lodging facilities within the County. Revenues collected during the fiscal year ended June 30, 2010, were $20,874. Of this amount, 50%, or $10,437, was paid to the Cordele-Crisp County Tourism Association for the promotion of tourism. The remaining funds were expended by the County for tourism as required by O.C.G.A. 48-13-51.

NOTE 16. DEFICIT FUND BALANCE

The Jail Fund reported deficit fund balance of $1,461, and the Northside Water Distribution Fund reported a deficit fund balance of $93,360 at June 30, 2010. The Jail Fund deficit fund balance is intended to be eliminated through increased transfers from the General Fund. The Northside Water Distribution Fund deficit fund balance is intended to be eliminated through contributions from the City of Cordele.

REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE OF FUNDING PROGRESS

Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Accrued Liability as a Percentage of Covered Payroll
12/31/2004	$ 3,980,504	$ 4,680,846	$ 700,342	85.0%	$ 4,333,251	16.2%
12/31/2005	4,622,453	5,591,657	969,204	82.7%	4,788,050	20.2%
12/31/2006	5,341,971	5,876,744	534,773	90.9%	4,801,416	11.1%
12/31/2007	6,175,187	7,560,162	1,384,975	81.7%	4,846,281	28.6%
12/31/2008	6,608,597	9,622,019	3,013,422	68.7%	5,326,001	56.6%
12/31/2009	7,551,435	10,242,435	2,691,000	73.7%	5,102,829	52.7%

Notes to the Schedule of Employer Contributions

1. The cost method used to determine the Annual Required Contribution is the Projected Unit Credit Method.
2. Economic assumptions are as follows: Investment return – 8.0% per year; and Salary Scale – 6.0% per year.

CRISP COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Law Library Fund — To account for revenues generated through special filing charges in the County court system which are used to acquire and maintain law library materials.

Asset Forfeiture Fund — To account for confiscated assets awarded to the Sheriff's Department to be spent on law enforcement at the discretion of the Sheriff.

DARE Fund — To account for the collection of additional penalties for certain drug related crimes and for expenditure of those funds solely and exclusively for drug abuse treatment and education programs relating to controlled substances and marijuana. (OCGA 15-21-100).

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.

E-911 Fund — To account for the costs of operating and maintaining the 911 Emergency Communication System for Crisp County. Financing is provided by a charge to each telephone subscriber whose exchange access lines are in areas served by the Crisp County "911" service and by contributions from the City of Cordele.

Hotel/Motel Tax Fund — To account for the collection and disbursement of hotel taxes.

Capital Project Funds

Northside Water Distribution Fund — To account for activities related to the study of distribution of water to the north side of Crisp County and improvements to the system.

CRISP COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue Funds			
ASSETS	**Law Library Fund**	**Asset Forfeiture Fund**	**DARE Fund**	**Jail Fund**
Cash and cash equivalents	$ 85,743	$ 121,430	$ 13,185	$ 19,360
Investments	-	416,284	-	-
Accounts receivable	-	-	-	-
Prepaid items	-	-	-	-
Total assets	$ 85,743	$ 537,714	$ 13,185	$ 19,360
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ 30,211	$ -	$ 826
Accrued liabilities	-	-	-	-
Due to other funds	500	-	4,598	19,995
Total liabilities	500	30,211	4,598	20,821
FUND BALANCES (DEFICIT)				
Reserved for prepaid items	-	-	-	-
Unreserved	85,243	507,503	8,587	(1,461)
Total fund balances (deficit)	85,243	507,503	8,587	(1,461)
Total liabilities and fund balances (deficit)	$ 85,743	$ 537,714	$ 13,185	$ 19,360

		Capital Projects Fund	
E911 Fund	Hotel/Motel Tax Fund	Northside Water Distribution Fund	Totals
$ 72,148	$ -	$ 10,260	$ 322,126
-	-	-	416,284
45,870	-	-	45,870
11,872			11,872
$ 129,890	$ -	$ 10,260	$ 796,152
$ 5,410	$ -	$ 95,577	$ 132,024
12,534	-	-	12,534
31,414	-	8,043	64,550
49,358	-	103,620	209,108
11,872	-	-	11,872
68,660	-	(93,360)	575,172
80,532	-	(93,360)	587,044
$ 129,890	$ -	$ 10,260	$ 796,152

CRISP COUNTY, GEORGIA

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

	Special Revenue Funds			
	Law Library Fund	Asset Forfeiture Fund	DARE Fund	Jail Fund
Revenues:				
Other taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	49,113	33,933	26,569	181,379
Interest revenue	493	1,645	-	-
Other revenues	-	-	-	-
Total revenues	49,606	35,578	26,569	181,379
Expenditures:				
Current:				
Judicial	42,596	-	-	-
Public safety	-	94,751	21,790	218,330
Public works	-	-	-	-
Housing and development	-	-	-	-
Total expenditures	42,596	94,751	21,790	218,330
Excess (deficiency) of revenues over (under) expenditures	7,010	(59,173)	4,779	(36,951)
Other financing sources (uses):				
Transfers in	-	-	-	39,548
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	39,548
Net change in fund balances	7,010	(59,173)	4,779	2,597
Fund balances (deficit), beginning of year	78,233	566,676	3,808	(4,058)
Fund balances (deficit), end of year	$ 85,243	$ 507,503	$ 8,587	$ (1,461)

		Capital Projects Fund	
E911 Fund	Hotel/Motel Tax Fund	Northside Water Distribution Fund	Totals
$ -	$ 20,874	$ -	$ 20,874
-	-	328,824	328,824
481,033	-	-	481,033
-	-	-	290,994
-	-	-	2,138
155	-	-	155
481,188	20,874	328,824	1,124,018
-	-	-	42,596
750,934	-	-	1,085,805
-	-	431,057	431,057
-	10,437	-	10,437
750,934	10,437	431,057	1,569,895
(269,746)	10,437	(102,233)	(445,877)
283,175	-	30,609	353,332
-	(10,437)	-	(10,437)
283,175	(10,437)	30,609	342,895
13,429	-	(71,624)	(102,982)
67,103	-	(21,736)	690,026
$ 80,532	$ -	$ (93,360)	$ 587,044

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
2000 REFERENDUM				
Airport	$ 375,000	$ 353,667	$ 46,361	$ 400,028
County Buildings	1,517,655	1,457,507	15,126	1,472,633
EMS	224,000	330,583	-	330,583
E-911	383,248	380,162	-	380,162
Fire-Rescue	401,925	335,081	-	335,081
Parks and Recreation	2,400,000	3,017,813	-	3,017,813
Public Works/Sanitation	1,685,008	1,410,008	-	1,410,008
Sheriff/Jail/Training Facility	682,000	681,977	-	681,977
City of Arabi Projects	500,000	540,833	-	540,833
City of Cordele Projects	3,100,000	2,961,563	675,955	3,637,518
Industrial Development	855,000	1,097,863	-	1,097,863
County Road Project	3,876,164	2,732,393	(314,705)	2,417,688
Totals	$ 16,000,000	$ 15,299,450	$ 422,737	$ 15,722,187

Note: The difference between the above schedule and the Statement of Revenues, Expenditures and Changes in Fund Balances is due to reimbursement for cost incurred related to the Airport of $22,161 and County Road Projects of $423,550. Addtitionally, principle and interest payments of $53,067 are not included in the above schedule due to the total cost of equipment leased being recognized in the year purchased.

2005 REFERENDUM				
Judicial Center Project	$ 6,000,000	$ 8,721,498	$ 908,933	$ 9,630,431
Recreational Department Project	1,000,000	661,795	-	661,795
Airport Project	270,000	-	-	-
Sheriff Department Project	920,000	309,213	47,136	356,349
County Buildings Project	835,000	411,509	-	411,509
EMS Project	340,000	83,465	-	83,465
Emergency Management Project	200,000	-	463,000	463,000
Jail Project	295,000	94,194	-	94,194
Contingency Project	430,000	149,628	-	149,628
Development Authority Project	2,070,000	1,566,500	-	1,566,500
Cordele Industrial Project	1,000,000	-	-	-
City of Cordele Projects	2,350,000	2,287,922	608,128	2,896,050
Library Project	300,000	-	-	-
Emergency Signals Project	100,000	-	-	-
City of Arabi Projects	280,000	130,976	56,493	187,469
Fire Department Project	85,000	-	2,483	2,483
Animal Control Project	125,000	34,856	-	34,856
County Roads Project	3,400,000	-	-	-
Totals	$ 20,000,000	$ 14,451,556	$ 2,086,173	$ 16,537,729

Note: The difference between the above schedule and the Statement of Revenues, Expenditures and Changes in Fund Balances is due to grant awards for Emergency Management Projects of $140,000.

CRISP COUNTY, GEORGIA

AGENCY FUNDS

Clerk of Superior Court	To account for all monies received by the Clerk of Court on behalf of individuals, private organizations, other governmental units, and other funds.
Probate Court	To account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, etc., which are disbursed to other parties.
Sheriff's Office	To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.
Jail Inmate	To account for all monies held on behalf of the inmates of Crisp County Jail.
Tax Commissioner	To account for the collection and payment to Crisp County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Crisp County and other taxing units.
Magistrate Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.

CRISP COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2010

ASSETS	Clerk of Superior Court	Probate Court	Sheriff's Office
Cash and cash equivalents	$ 184,273	$ 190,063	$ 251,062
Accounts receivable	-	16,008	-
Taxes receivable	-	-	-
Total assets	$ 184,273	$ 206,071	$ 251,062
LIABILITIES			
Due to others	$ 184,273	$ 206,071	$ 251,062
Uncollected taxes	-	-	-
Total liabilities	$ 184,273	$ 206,071	$ 251,062

Jail Inmate	Tax Commissioner	Magistrate Court	Total
$ 4,372	$ 2,150	$ 17,298	$ 649,218
-	-	-	16,008
-	1,065,234	-	1,065,234
$ 4,372	$ 1,067,384	$ 17,298	$ 1,730,460
$ 4,372	$ 2,150	$ 17,298	$ 665,226
-	1,065,234	-	1,065,234
$ 4,372	$ 1,067,384	$ 17,298	$ 1,730,460

COMPLIANCE SECTION

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*

Board of Commissioners
of Crisp County, Georgia
Cordele, 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 Crisp County, Georgia as of and for the year ended June 30, 2010, which collectively comprise Crisp County Georgia's basic financial statements and have issued our report thereon dated December 30, 2010. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Crisp County Board of Health and the Hospital Authority of Crisp County, as described in our report on Crisp County, Georgia's financial statements. The report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Crisp County, Georgia'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 Crisp County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Crisp County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses 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 a certain deficiency in internal control over financial reporting that we consider to be a material weakness 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2010-3 to be a material weakness.

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 in the accompanying schedule of findings and questioned costs as items 2010-1, 2010-2, and 2010-4 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crisp County, Georgia'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 questioned costs as item 2010-5.

We noted certain additional matters that we reported to management of Crisp County, Georgia in a separate letter dated December 30, 2010.

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

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

Albany, Georgia
December 30, 2010

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

Board of Commissioners
of Crisp County, Georgia
Cordele, Georgia

Compliance

We have audited Crisp County, Georgia's compliance 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 Crisp County, Georgia's major federal programs for the year ended June 30, 2010. Crisp County, Georgia'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 Crisp County, Georgia's management. Our responsibility is to express an opinion on Crisp County, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133. 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 Crisp County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Crisp County, Georgia's compliance with those requirements.

In our opinion, Crisp County, Georgia, 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 June 30, 2010.

Internal Control Over Compliance

Management of Crisp County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Crisp County, Georgia's internal control over compliance with 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 Crisp County, Georgia's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, 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

Albany, Georgia
December 30, 2010

CRISP COUNTY, GEORGIA

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

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Justice			
Direct Award			
Learn Network Grant	16.541	2006-JL-FX-0171	$ 13,773
Passed through Criminal Justice Coordinating Council			
Victims Witness Assistance Program	16.576	2008-VA-GX-0015	61,759
Victims Witness Assistance Program	16.576	2009-VA-GX-0045	12,771
			74,530
Byrne Formula Grant Program	16.579	2008-DJ-BX-0011	30,000
Byrne Formula Grant Program	16.579	2009-DJ-BX-0077	90,720
			120,720
Byrne Formula Grant Program - ARRA	16.803	B82-8-099	7,500
Byrne Formula Grant Program - ARRA	16.803	B82-8-088	140,000
Byrne Formula Grant Program - ARRA	16.803	B82-8-094	18,392
Byrne Formula Grant Program - ARRA	16.803	B82-8-098	23,926
Byrne Formula Grant Program - ARRA	16.803	B82-8-100	26,300
Byrne Formula Grant Program - ARRA	16.803	B82-8-009	28,333
Passed through City of Cordele			
Byrne Formula Grant Program - ARRA	16.803	2009-SB-B9-0376	30,382
			274,833
Victims Witness Assistance Program - ARRA	16.588	2008-WF-AX-0042	24,123
Victims Witness Assistance Program - ARRA	16.588	2009-EF-S6-0033	43,737
			67,860
Passed through Juvenile Court Judges of Georgia			
Juvenile Accountability Incentive Block Grant	16.523	06B-ST-0004	2,966
Juvenile Accountability Incentive Block Grant	16.523	JB 07ST-004	1,500
			4,466
Total U.S. Department Justice			556,182
U.S. Department of Transportation			
Passed through Georgia Department of Transportation			
Section 5311 Operating Assistance	20.509	T003295	165,509
Airport Improvement Grant	20.106	AP090-9900-23(081)	21,592
Total U.S. Department of Transportation			187,101

CRISP COUNTY, GEORGIA

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

U.S. Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
Disaster Recovery Program	97.036	FEMA-1833-DR-GA	$ 12,970
Local EMA Partnership Performance	97.042	E07-8-042	8,727
State Homeland Security Program	97.073	2006-GE-T6-0066	63,000
Total U.S. Department of Homeland Security			84,697
U.S. Department of Housing & Urban Development			
Passed through Georgia Department of Community Affairs			
Community Development Block Grant	14.228	06P-Y-040-1-3201	60,618
Community Development Block Grant	14.228	07P-Y-040-1-3351	113,503
Community Development Block Grant	14.228	08P-Y-040-1-5036	154,704
Total U.S. Department of Housing & Urban Development			328,825
U.S. Department of Agriculture			
Direct Award			
Rural Business Opportunity Grant	10.773	10-040-586000811	6,357
Total U.S. Department of Agriculture			6,357
Total Expenditures of Federal Awards			$ 1,163,162

CRISP COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Crisp County, Georgia and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CRISP COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 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 ____ none reported
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?	____ yes _X_ none reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	____ yes _X_ no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
16.803	Byrne Formula Grant Program
14.228	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

CRISP COUNTY, GEORGIA

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

SECTION II
FINDINGS: FINANCIAL STATEMENTS AUDIT

2010-1. Segregation of Duties

Criteria: Good, sound internal controls require a proper segregation of duties.

Condition: For the fiscal year ending June 30, 2010, we noted a lack of proper segregation of duties within several areas of Crisp County, Georgia's operations, including the Clerk of Court, Magistrate Court, Probate Court, Tax Commissioner's office, Sheriff's office, and County finance department. Examples of segregation of duties issues are as follows:

- Cash receipts are handled by the same individual(s) who also makes bank deposits, reconciles the bank accounts, and posts activity to the general ledger.
- Authorized check signers are not independent of voucher preparation and approval.
- Department heads are responsible for the purchasing function, receipt of goods and services and approval of invoices.
- Individuals responsible for maintaining personnel records are also responsible for the preparation of the County payroll.
- Individuals responsible for employee timekeeping also distribute paychecks.
- Property taxes and special assessments are billed by employees not independent of the collection function.
- Individuals responsible for monthly water system and landfill account billings are also involved in the receipt of customer payments and posting to customer accounts.
- Individuals responsible for the processing of invoices and related payables are also involved in the disbursement process and general ledger functions.
- Individuals responsible for maintaining the detail capital asset records are also involved with the general ledger, cash, purchasing, payable, and authorization functions.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: The failure of Crisp County, Georgia to have a proper segregation of duties could lead to undetected misappropriation of funds or other irregularities.

Cause: The lack of segregation of duties is due to the limited number of individuals in each office to perform all of the duties.

Recommendation: Crisp County, Georgia should work to immediately eliminate the above deficiency.

Views of Responsible Officials and Planned Corrective Action: We concur. We will work with staff to segregate duties and apply compensating controls to the extent possible.

SECTION II
FINDINGS: FINANCIAL STATEMENTS AUDIT (CONTINUED)

2010-2. Maintenance of Records of 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.

Condition: During our audit of the Probate Court as of June 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.

Context: At the Probate Court, we noted approximately $301,964 of excess cash at June 30, 2010.

Effect: By not reconciling the cash balances on hand to the supporting detail listings, differences could occur and go undetected by the elected officials.

Cause: The excess funds have accumulated over several years due to the lack of adequate detailed listings and reconciliations performed on a monthly basis.

Recommendation: The County should maintain adequate records including detailed listings to support the balances held in the agency funds.

Views of Responsible Officials and Planned Corrective Action: We concur with the recommendation and changes will be implemented as soon as possible.

2010 - 3. Management of Accounts Payable

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The County did not properly address the above criteria as of June 30, 2010 as it relates to accounts payable within the SPLOST 2005 Fund and the Non-major funds.

Context: See above condition.

SECTION II
FINDINGS: FINANCIAL STATEMENTS AUDIT (CONTINUED)

2010 - 3. Management of Accounts Payable (Continued)

Effect: Adjustments to decrease accounts payable in the amount of $515,513, increase retainage payable in the amount of $12,863, and decrease expenditures in the amount of $502,650 were required to be recorded in the SPLOST 2005 Fund. An adjustment to increase expenses in the amount of $95,577 and increase accounts payable in the same amount was required to be recorded in the Non-major funds.

Cause: Reconciliations of accounts payable and accrued expenses are not being performed on a monthly basis.

Recommendation: We recommend the County implement procedures to reconcile all accounts payable subsidiary ledgers to the general ledger on a monthly basis.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will establish procedures to reconcile subsidiary ledgers with the general ledger on a monthly basis.

2010-4. Management of Due To / From (Internal) Accounts

Criteria: Generally accepted accounting principles require consideration of the collectibility 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 the proper amount due during the fiscal year.

Condition: The County did not properly record the amounts due from other funds in the General Fund and Non-major Funds during the year ended June 30, 2010.

Context: See above condition.

Effect: An adjustment to increase due from other funds by $60,652, increase revenues by $60,652, decrease accounts payable by $19, and decrease expenditures by $19 was required to be recorded in the General Fund. Adjustments to increase cash by $14,134, increase due from other funds by $14,196, and increase revenues by $28,330 were required to be recorded in the Non-major Funds.

Recommendation: We recommend the County begin recognizing and recording all necessary interfund receivables and payables at the end of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will record all interfund receivables and payables based on the above criteria.

CRISP COUNTY, GEORGIA

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

SECTION II
FINDINGS: FINANCIAL STATEMENTS AUDIT (CONTINUED)

2010 - 5. Special Purpose Local Option Sales Tax Proceeds

Criteria: In accordance with the Official Code of Georgia (OCGA) Section 48-8-121, Special Purpose Local Option Sales Tax proceeds shall be used exclusively for the purpose or purposes specified in the resolution or ordinance calling for imposition of the tax. Such proceeds shall be kept in a separate account from other funds of such County receiving proceeds of the sales and use tax and shall not in any manner be commingled with other funds.

Condition: For the fiscal year ending June 30, 2010, the County did not comply with OCGA Section 48-8-121 by recording interfund balances due to the 2005 Sales Tax Fund from other funds.

Context: See above condition.

Effect: By recording interfund balances due to the 2005 Sales Tax Fund from other funds, the County commingled the funds, therefore is not in compliance with state law.

Cause: The County recorded interfund balances due to the 2005 Sales Tax Fund from other funds..

Recommendation: The County should transfer the proceeds back to the 2005 Sales Tax Fund.

Views of Responsible Officials and Planned Corrective Action: We concur. We have initiated a plan to pay back the 2005 Sales Tax Fund.

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported

CRISP COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

2009-1. Segregation of Duties

Criteria: Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: For the fiscal year ending June 30, 2009, appropriate segregation of duties did not exist within several areas of Crisp County, Georgia's operations, including the Clerk of Court, Magistrate Court, Probate Court, Tax Commissioner's office, Sheriff's office, and County finance department.

Auditee Response/Status: Unresolved – See current year audit finding 2010-1.

2009-2. Maintenance of Records of 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.

Condition: During our audit of the various elected officials' offices as of June 30, 2009, 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. This situation was observed on certain accounts maintained at the Probate Court.

Auditee Response/Status: Unresolved for the Probate Court – See current year audit finding 2010-2.

2009 - 3. Debt Transactions

Criteria: In the fund financial statements, governmental fund types recognize capital lease activity during the current period. The face amount of debt issued is reported as other financing sources and payments are reported debt service. Additionally, proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including long-term debt. As part of that reporting process, the County should record the issuance of debt and debt related items in the statement of net assets for all proprietary funds.

Condition: The County did not properly record the issuance of capital leases in the 2000 Sales Tax Fund or payments of capital leases in the 2000 Sales Tax Fund and Landfill Fund.

Auditee Response/Status: This finding was resolved during the fiscal year ended June 30, 2010.

CRISP COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

2009 - 4. Management of Accounts Receivable Accounts

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the County should review all revenue transactions to determine reporting in the proper period.

Condition: The County did not properly record fees receivable in the Water System Fund and Landfill Fund as of June 30, 2009.

Auditee Response/Status: This finding was resolved during the fiscal year ended June 30, 2010.
.

2009 - 5. Management of Due To / From (Internal) Accounts

Criteria: Generally accepted accounting principles require consideration of the collectibility 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 the proper amount due during the fiscal year.

Condition: The County did not properly record the amounts due from agency funds in the General Fund during the year ended June 30, 2009.

Auditee Response/Status: Unresolved – See current year audit finding 2010-4.