CRISP COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2011

INTRODUCTORY SECTION

CRISP COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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CRISP COUNTY, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2011

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, 2011, 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 $275,627 and total revenues of $691,740 or the Crisp Regional Health Services, Inc. which statements reflect total assets of $81,542,000 and total revenues of $70,313,000 for the year ended June 30, 2011. 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, 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, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, Crisp County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 3 – 11) and the Required Supplementary Information on page 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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 Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the basic financial statements. 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 Annotated 48-8-121, and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the schedule of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Mauldin & Jenkins, LLC

Albany, Georgia
December 27, 2011

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, 2011. 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, 2011, by $64,559,022 (net assets). Of this amount, $8,646,904 (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 $1,950,222 for the fiscal year ended June 30, 2011.
- Included in the total net assets of the Primary Government, is an investment of $49,530,299 in capital assets net of related debt.
- The County's General Fund unassigned fund balance declined by $1,671,649 to $4,831,047 for the fiscal year. This equates to 31% of total General Fund expenditures. The General Fund also has nonspendable fund balance of $311,698, restricted fund balance of $9,502, and assigned fund balance of $1,000,000.
- The fund balances of $7,387,157 from SPLOST and other governmental fund balances brings the County's combined ending fund balance to $13,539,404 as of the close of fiscal year 2011. This represents an increase from the previous fiscal year in the amount of $1,213,276 or approximately 10%.
- The County's capital lease, notes payable and revenue bond debt balance reported at June 30, 2011 was increased by $335,988 over this fiscal period.

Overview of the Financial Statements

This discussion and analysis is 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, 2011, the County maintained ten (10) individual governmental funds to account for the following activities: General Fund, Law Library Fund, Asset Forfeiture Fund, DARE Fund, Jail Fund, E-911 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 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 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 three (3) 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 devise 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 21 – 23 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 24 of this report. The combining statement of assets and liabilities for agency funds is located on pages 65 – 66.

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 25 – 58 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 60 – 63 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 $64,559,022 at the close of the most recent fiscal year.

The largest portion of the County's net assets (77%) 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, 2011

	Governmental Activities		Business-type Activities		Total	
	FY 2010	FY2011	FY 2010	FY2011	FY 2010	FY2011
Current and other assets	$ 14,507,418	$ 15,170,686	$ 3,849,562	$ 3,313,127	$ 18,356,980	$ 18,483,813
Capital assets	49,593,967	45,989,552	9,174,613	10,785,891	58,768,580	56,775,443
Total assets	64,101,385	61,160,238	13,024,175	14,099,018	77,125,560	75,259,256
Long-term liabilities outstanding	745,579	580,318	7,583,449	8,264,775	8,329,028	8,845,093
Other liabilities	1,591,937	901,752	695,351	953,389	2,287,288	1,855,141
Total liabilities	2,337,516	1,482,070	8,278,800	9,218,164	10,616,316	10,700,234
Net assets:						
Invested in capital assets, net of related debt	48,854,124	45,437,333	3,005,300	4,092,967	51,859,424	49,530,300
Restricted	2,681,376	6,321,782	129,332	60,037	2,810,708	6,381,819
Unrestricted	10,228,369	7,919,053	1,610,743	727,850	11,839,112	8,646,903
Total net assets	$ 61,763,869	$ 59,678,168	$ 4,745,375	$ 4,880,854	$ 66,509,244	$ 64,559,022

The remaining balance of unrestricted net assets of $8,646,904 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.

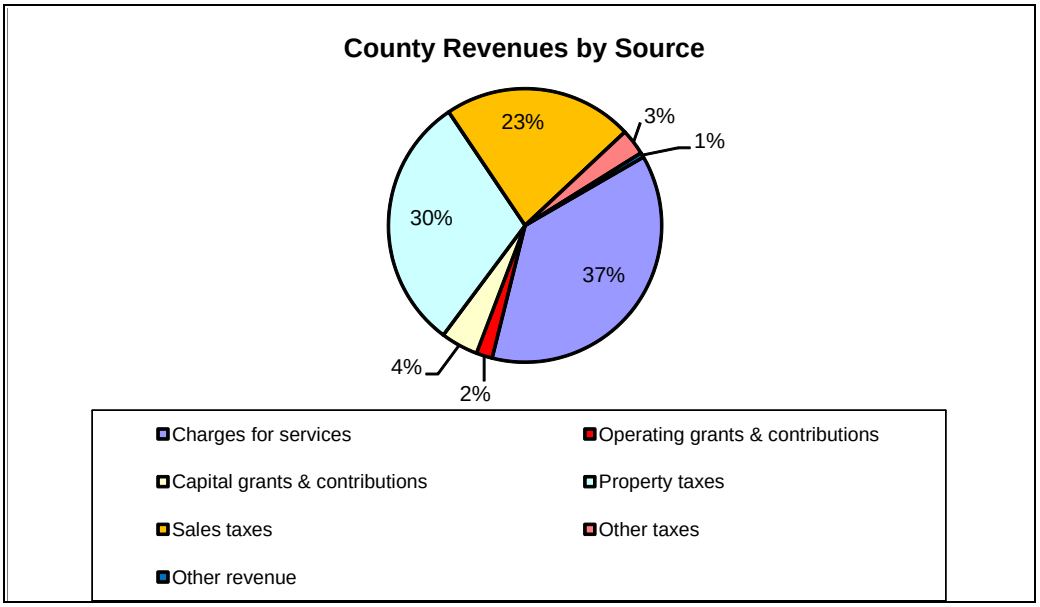
Governmental Activities. The County's net assets were actually reduced by governmental activities for the fiscal year by $2,085,701. As indicated by the following chart, governmental activities expenses exceeded program and general revenues by just over 9% or $2,085,701 for the twelve-month period of July 1, 2010 through June 30, 2011.

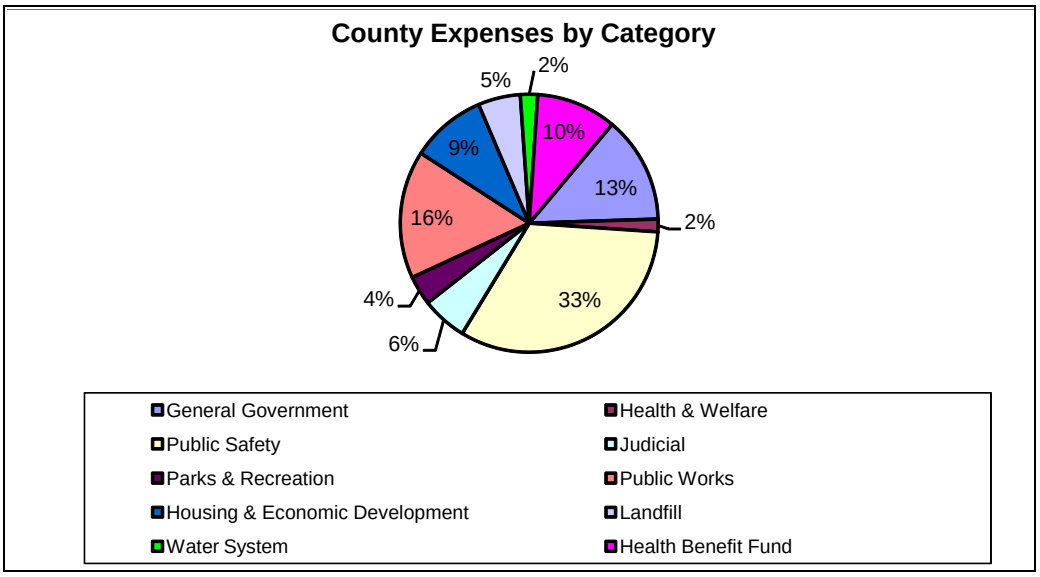
Business-type activities. Business-type activities also decreased the County's net assets for fiscal year 2011, by $135,479. Charges for services represented 99% of the total program revenue, while unrestricted investment earnings and other revenue combined for the remaining 1%. The following table also indicates the changes in net assets for business-type activities for the 2011 fiscal year:

CRISP COUNTY'S CHANGES IN NET ASSETS
June 30, 2011

	Governmental Activities		Business-type Activities		Total	
	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011
Revenues:						
Program revenues:						
Charges for services	$ 3,898,468	$ 4,506,062	$ 3,814,168	$4,820,045	$ 7,712,636	$ 9,326,107
Operating grants and contributions	1,251,541	477,333	-	-	1,251,541	477,333
Capital grants and contributions	770,043	1,105,228	-	-	770,043	1,105,228
General revenues:						
Property taxes	7,300,051	7,611,588	-	-	7,300,051	7,611,588
Sales taxes	5,620,641	5,625,461	-	-	5,620,641	5,625,461
Franchise taxes	54,253	51,481	-	-	54,253	51,481
Insurance premimum tax	537,551	519,459	-	-	537,551	519,459
Other taxes	211,274	201,798	-	-	211,274	201,798
Unrestricted investment earnings	104,582	96,732	58,761	42,992	163,343	139,724
Total revenues	19,748,404	20,195,142	3,872,929	4,863,037	23,621,333	25,058,179
Expenses:						
General government	2,754,520	3,608,856	-	-	2,754,520	3,608,856
Judicial	1,487,005	1,541,274	-	-	1,487,005	1,541,274
Public safety	8,663,065	8,804,783	-	-	8,663,065	8,804,783
Public works	5,757,612	4,327,320	-	-	5,757,612	4,327,320
Health and welfare	778,097	428,598	-	-	778,097	428,598
Recreation	1,086,378	993,327	-	-	1,086,378	993,327
Housing and community development	583,248	2,550,809	-	-	583,248	2,550,809
Interest on long-term debt	19,967	25,876	-	-	19,967	25,876
Water	-	-	414,211	584,069	414,211	584,069
Landfill	-	-	1,107,507	1,430,456	1,107,507	1,430,456
Self insurance health benefit	-	-	2,078,756	2,713,033	2,078,756	2,713,033
Total expenses	21,129,892	22,280,843	3,600,474	4,727,558	24,730,366	27,008,401
Total increase (decrease) in net assets	(1,381,488)	(2,085,701)	272,455	135,479	(1,109,033)	(1,950,222)
Net assets, beginning of year	63,145,357	61,763,869	4,472,920	4,745,375	67,618,277	66,509,244
Net assets, end of year	$61,763,869	$59,678,168	$ 4,745,375	$4,880,854	$66,509,244	$ 64,559,022

Approximately 37% of the County's total revenue came from charges from services, 30% from property taxes, 23% from sales tax, while the remaining 10% came from various other revenues. The County's expenses cover a range of services. The largest expenses, 33%, 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 $1,213,276 increasing that total by 10% up to $13,539,404.

The General Fund is the chief operating fund of Crisp County and ended the fiscal year with a fund balance of $6,152,247. Of that amount $311,698 was nonspendable for prepaid items and inventory, $9,502 was restricted for public safety and $1,000,000 was assigned for budgetary stabilization. The remaining $4,831,047 remains unassigned. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 31% of total General Fund expenditures.

The 2000 and 2005 Sales Tax Funds have a combined total fund balance of $5,392,878, all of which is restricted.

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 $1,077,025. The Water Fund had operating income of $19,688 for fiscal year 2011. Combined with non-operating income (expenses) of ($51,008), this fund's net assets decreased by $31,320 during fiscal year 2011.

Unrestricted net assets of the Landfill Fund at the end of the year amounted to $841,924. The Landfill Fund's operating income of $620,671 combined with non-operating income (expenses) of ($85,033) provided an increase of $535,638 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, 2011, amounts to $56,775,443 (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	
	2011	2011	Total
Land	$ 2,362,240	$ 765,223	$ 3,127,463
Construction in progress	87,506	3,412,978	3,500,484
Land improvements	4,473,538	-	4,473,538
Infrastructure	17,666,725	-	17,666,725
Plant & Buildings	17,782,349	6,099,962	23,882,311
Furniture, machinery & eq.	3,617,194	499,842	4,117,036
System Improvements	-	7,886	7,886
Total	$ 45,989,552	$ 10,785,891	$ 56,775,443

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

- Construction continued on the Northside Area Water & Sewer Improvement projects, funded by a combination of sources, primarily grant revenue received from the State of Georgia CDBG program. Other source of revenue came from the Crisp County General Fund.
- Construction was completed on the new Crisp County Courthouse, funding provided by SPLOST and a small percentage of miscellaneous revenue.
- Over $1,140,000 was expended for land acquisition at the Inland Port and installation of accelerated and decelerated turning lanes at the Norbord facility, funding provided by General Fund Dollars and DOT Grant revenues for these Economic Development Projects.
- New vehicles and equipment were purchased for the Crisp County Sheriff's office, Public Works and Building Maintenance Division, through a combination of SPLOST Funds, General Fund dollars, and Grant revenue.
- Over $101,000 was expended on County road projects, funded by SPLOST funds.
- Over $387,000 was expended on Equipment and Dumpsters for Public Works and Sanitation Department, funded by SPLOST funds.
- A new roof was replaced on County Old Centennial building as well as minor improvements to the Crisp County Government Center, all funded by SPLOST.
- Construction on one C&D cell and two MSW cells at the County's Landfill, which began in the fiscal year June 30, 2009, is nearing completion.
- Additional information on the County's capital assets can be found in Note 6 on pages 40 - 43 of this report.

Long-Term Debt. As of June 30, 2011, 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 decreased by $173,823 and increased for business-type activities by $545,766 during the current fiscal year.

Additional information on the County's long-term debt can be found in Note 7 on pages 44 – 48 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 9.8%, which exceeds both the rate for the State of Georgia of 9.8% and the national average of 9.1%.

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, Suite 309, Cordele, Georgia 31015 or sleverett@crispcounty.com.

CRISP COUNTY, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 7,833,380	$ 2,740,410	$ 10,573,790
Investments	3,698,519	233,504	3,932,023
Taxes receivable	785,496	-	785,496
Accounts receivable, net of allowances	80,836	170,084	250,920
Notes receivable	1,076,285	-	1,076,285
Internal balances	19,357	(19,357)	-
Due from other governments	971,936	5,107	977,043
Due from primary government	-	-	-
Inventories	31,975	-	31,975
Prepaid items	351,251	20,585	371,836
Other assets	321,651	11,301	332,952
Restricted assets:			
Cash	-	151,493	151,493
Assets limited as to use	-	-	-
Goodwill	-	-	-
Deferred financing costs	-	-	-
Investment in affiliated companies	-	-	-
Capital assets:			
Nondepreciable	2,449,746	4,178,201	6,627,947
Depreciable, net of accumulated depreciation	43,539,806	6,607,690	50,147,496
Long-term intangible asset	-	-	-
Total assets	61,160,238	14,099,018	75,259,256
LIABILITIES			
Accounts payable	380,986	440,445	821,431
Accrued liabilities	161,289	21,819	183,108
Customer deposits payable	-	60,510	60,510
Claims payable	-	124,221	124,221
Other payables	-	-	-
Due to other governments	1,325	16,205	17,530
Due to component units	33,272	-	33,272
Unearned revenues	1,282	-	1,282
Capital leases due within one year	48,508	-	48,508
Capital leases due in more than one year	50,735	-	50,735
Notes payable due within one year	146,190	246,504	392,694
Notes payable due in more than one year	306,786	4,817,169	5,123,955
Bonds payable due within one year	-	35,645	35,645
Bonds payable due in more than one year	-	1,593,607	1,593,607
Compensated absences due within one year	128,900	8,040	136,940
Compensated absences due more than one year	222,797	9,596	232,393
Closure and postclosure care costs	-	1,844,403	1,844,403
Total liabilities	1,482,070	9,218,164	10,700,234
NET ASSETS			
Invested in capital assets, net of related debt	45,437,333	4,092,967	49,530,300
Restricted for:			
Debt serivce	-	60,037	60,037
Judicial	96,073	-	96,073
Public safety	661,569	-	661,569
Economic development	171,262	-	171,262
Capital outlay	5,392,878	-	5,392,878
Unrestricted	7,919,053	727,850	8,646,903
Total net assets	$ 59,678,168	$ 4,880,854	$ 64,559,022

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
$ 8,385,349	$ 1,216,000	$ 235,516
6,784,498	-	-
-	-	-
4,509,612	8,592,000	7,075
-	1,278,000	-
-	-	-
-	-	33,036
-	33,000	-
874,018	1,126,000	-
528,884	-	-
274,397	1,218,000	-
-	-	-
547,001	37,313,000	-
-	380,000	-
-	603,000	-
-	402,000	-
575,646	1,952,000	-
17,203,228	27,429,000	-
1,674,776	-	-
41,357,409	81,542,000	275,627
2,512,740	1,579,000	-
498,677	3,802,000	-
547,476	-	-
-	-	-
-	40,000	-
-	-	22,197
-	-	-
-	-	-
-	-	-
-	-	-
-	230,000	-
-	179,000	-
-	1,220,000	-
-	16,755,000	-
-	-	10,166
-	-	43,296
-	-	-
3,558,893	23,805,000	75,659
19,453,650	11,406,000	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
18,344,866	46,331,000	199,968
$ 37,798,516	$ 57,737,000	$ 199,968

CRISP COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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	$ 3,608,856	$ 1,088,489	$ 6,427	$ 289
Judicial	1,541,274	50,092	-	21
Public safety	8,804,783	3,235,304	313,491	843,769
Public works	4,327,320	4,456	157,415	3,739
Health and welfare	428,598	-	-	-
Parks and recreation	993,327	127,721	-	76
Housing and development	2,550,809	-	-	257,334
Interest on long-term debt	25,876	-	-	-
Total governmental activities	22,280,843	4,506,062	477,333	1,105,228
Business-type activities:				
Water system	584,069	549,906	-	-
Landfill	1,430,456	1,958,345	-	-
Self-insurance health benefit	2,713,033	2,311,794	-	-
Total business-type activities	4,727,558	4,820,045	-	-
Total primary government	$ 27,008,401	$ 9,326,107	$ 477,333	$ 1,105,228
Component unit:				
Crisp County Power Commission	$ 32,431,251	$ 36,950,563	$ -	$ -
Crisp Regional Health Services, Inc.	67,930,000	69,582,000	37,000	-
Crisp County Board of Health	703,943	271,584	420,026	-
Total component unit	$ 101,065,194	$ 106,804,147	$ 457,026	$ -
General revenues:				
Property taxes				
Sales taxes				
Franchise fees				
Insurance premium tax				
Other taxes				
Unrestricted investment earnings				
Total general revenues				
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	
$ (2,513,651)	$ -	$ (2,513,651)	$ -	$ -	$ -	
(1,491,161)	-	(1,491,161)	-	-	-	
(4,412,219)	-	(4,412,219)	-	-	-	
(4,161,710)	-	(4,161,710)	-	-	-	
(428,598)	-	(428,598)	-	-	-	
(865,530)	-	(865,530)	-	-	-	
(2,293,475)	-	(2,293,475)	-	-	-	
(25,876)	-	(25,876)	-	-	-	
(16,192,220)	-	(16,192,220)	-	-	-	
-	(34,163)	(34,163)	-	-	-	
-	527,889	527,889	-	-	-	
-	(401,239)	(401,239)	-	-	-	
-	92,487	92,487	-	-	-	
$ (16,192,220)	$ 92,487	$ (16,099,733)	$ -	$ -	$ -	
$ -	$ -	$ -	$ 4,519,312	$ -	$ -	
-	-	-	-	1,689,000	-	
-	-	-	-	-	(12,333)	
$ -	$ -	$ -	$ 4,519,312	$ 1,689,000	$ (12,333)	
$ 7,611,588	$ -	$ 7,611,588	$ -	$ -	$ -	
5,625,461	-	5,625,461	-	-	-	
51,481	-	51,481	-	-	-	
519,459	-	519,459	-	-	-	
201,798	-	201,798	-	-	-	
96,732	42,992	139,724	326,982	694,000	130	
14,106,519	42,992	14,149,511	326,982	694,000	130	
(2,085,701)	135,479	(1,950,222)	4,846,294	2,383,000	(12,203)	
61,763,869	4,745,375	66,509,244	32,952,222	55,354,000	212,171	
$ 59,678,168	$ 4,880,854	$ 64,559,022	$ 37,798,516	$ 57,737,000	$ 199,968	

CRISP COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

ASSETS	General	2000 Sales Tax Fund	2005 Sales Tax Fund	Other Governmental Funds	Totals Governmental Funds
Cash and cash equivalents	$ 2,895,124	$ 854,097	$ 3,592,139	$ 492,020	$ 7,833,380
Investments	2,733,543	529,252	-	435,724	3,698,519
Receivables, net of allowance:					
Taxes	785,496	-	-	-	785,496
Accounts	36,773	-	-	44,063	80,836
Notes	-	-	-	1,076,285	1,076,285
Due from other funds	131,004	-	-	-	131,004
Due from other governments	482,274	112,706	356,815	20,141	971,936
Prepaid items	279,723	-	-	71,528	351,251
Inventory	31,975	-	-	-	31,975
Total assets	$ 7,375,912	$ 1,496,055	$ 3,948,954	$ 2,139,761	$ 14,960,682
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 308,893	$ 46,005	$ 6,126	$ 19,962	$ 380,986
Accrued liabilities	137,787	-	-	13,873	151,660
Due to other funds	-	-	-	111,647	111,647
Due to component units	33,272	-	-	-	33,272
Due to other governments	1,325	-	-	-	1,325
Deferred revenues	742,388	-	-	-	742,388
Total liabilities	1,223,665	46,005	6,126	145,482	1,421,278
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	279,723	-	-	-	279,723
Inventory	31,975	-	-	-	31,975
Long-term receivable	-	-	-	1,076,285	1,076,285
Restricted for:					
Judicial	-	-	-	96,073	96,073
Public safety	9,502	-	-	652,067	661,569
Economic development	-	-	-	171,262	171,262
Capital outlay	-	1,450,050	3,942,828	-	5,392,878
Assigned for:					
Budgetary stabilization	1,000,000	-	-	-	1,000,000
Capital outlay	-	-	-	14	14
Unassigned	4,831,047	-	-	(1,422)	4,829,625
Total fund balances	6,152,247	1,450,050	3,942,828	1,994,279	13,539,404
Total liabilities and fund balances	$ 7,375,912	$ 1,496,055	$ 3,948,954	$ 2,139,761	

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.	45,989,552
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	741,106
Net pension asset used in governmental activities is not a financial resource and, therefore, is not reported in governmental funds	321,651
Certain liabilities are not due and payable in the current period and are, therefore, not reported in the funds.	(913,545)
Net assets of governmental activities	$ 59,678,168

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

CRISP COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General	2000 Sales Tax Fund	2005 Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 7,541,956	$ -	$ -	$ -	$ 7,541,956
Sales taxes	1,798,706	-	3,826,755	-	5,625,461
Franchise taxes	51,481	-	-	-	51,481
Insurance premium taxes	519,459	-	-	-	519,459
Other taxes	201,798	-	-	-	201,798
Licenses and permits	69,026	-	-	-	69,026
Intergovernmental	1,347,730	143,599	-	84,807	1,576,136
Charges for services	1,195,183	-	-	467,163	1,662,346
Fines and forfeitures	1,751,726	-	-	292,064	2,043,790
Interest income	56,803	2,035	4,390	39,929	103,157
Other revenues	697,332	18,205	15,038	325	730,900
Total revenues	15,231,200	163,839	3,846,183	884,288	20,125,510
Expenditures					
Current:					
General government	1,968,447	-	-	-	1,968,447
Judicial	1,490,113	-	-	39,285	1,529,398
Public safety	7,396,649	-	-	1,025,931	8,422,580
Public works	2,091,936	-	-	32,577	2,124,513
Health and welfare	386,668	-	-	-	386,668
Parks and recreation	726,329	-	-	-	726,329
Housing and development	1,487,825	-	-	931,194	2,419,019
Intergovernmental payments	-	-	175,262	-	175,262
Capital outlay	-	571,897	495,709	-	1,067,606
Debt service:					
Principal	-	46,378	141,246	-	187,624
Interest	-	6,690	20,798	-	27,488
Total expenditures	15,547,967	624,965	833,015	2,028,987	19,034,934
Excess (deficiency) of revenues over (under) expenditures	(316,767)	(461,126)	3,013,168	(1,144,699)	1,090,576
Other financing sources (uses)					
Proceeds from the sale of capital assets	56,600	37,100	29,000	-	122,700
Transfers in	-	-	-	386,632	386,632
Transfers out	(386,632)	-	-	-	(386,632)
Total other financing sources (uses)	(330,032)	37,100	29,000	386,632	122,700
Net change in fund balances	(646,799)	(424,026)	3,042,168	(758,067)	1,213,276
Fund balances, beginning of year	6,799,046	1,874,076	900,660	2,752,346	12,326,128
Fund balances, end of year	$ 6,152,247	$ 1,450,050	$ 3,942,828	$ 1,994,279	$ 13,539,404

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

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, 2011

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

Net change in fund balances - total governmental funds	$	1,213,276
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.		(2,070,682)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(1,533,733)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		69,632
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 payments made on notes payable and capital leases.		187,624
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.		48,182
Net change in net assets - governmental activities	$	(2,085,701)

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, 2011

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 7,330,700	$ 7,497,312	$ 7,541,956	$ 44,644
Sales taxes	1,700,000	1,798,700	1,798,706	6
Franchise taxes	55,000	51,500	51,481	(19)
Insurance premium taxes	528,000	519,500	519,459	(41)
Other taxes	173,100	201,800	201,798	(2)
Licenses and permits	70,500	69,050	69,026	(24)
Intergovernmental	761,338	1,347,763	1,347,730	(33)
Charges for services	1,139,615	1,202,555	1,195,183	(7,372)
Fines and forfeitures	1,470,000	1,721,525	1,751,726	30,201
Interest revenue	65,000	56,650	56,803	153
Other revenues	144,414	697,347	697,332	(15)
Total revenues	13,437,667	15,163,702	15,231,200	67,498
Expenditures:				
Current:				
General government:				
Legislative	482,643	330,953	330,936	17
Executive	135,087	134,512	134,525	(13)
Elections	111,985	135,260	135,325	(65)
Financial administration	325,106	308,456	308,226	230
Data processing	60,534	73,219	73,254	(35)
Tax commissioner	274,770	273,620	273,611	9
Tax assessor	397,881	331,531	331,562	(31)
General government buildings and plant	395,418	380,878	381,008	(130)
Total general government	2,183,424	1,968,429	1,968,447	(18)
Judicial:				
Judicial administration	258,913	296,513	296,547	(34)
Clerk of superior court	392,926	360,876	360,562	314
District attorney	147,900	259,350	259,352	(2)
Magistrate court	218,383	197,283	197,259	24
Probate court	270,630	264,780	264,785	(5)
Juvenile court	41,499	52,174	52,872	(698)
Grand jury	15,000	28,800	28,814	(14)
Public defender	30,028	29,928	29,922	6
Total judicial	1,375,279	1,489,704	1,490,113	(409)
Public safety:				
Sheriff	2,836,581	3,157,231	3,155,905	1,326
Jail operations	2,049,742	2,274,992	2,275,043	(51)
Fire	1,336,136	1,187,961	1,187,958	3
EMS	431,038	591,213	591,252	(39)
Coroner	30,176	37,901	37,899	2
Other protection	99,889	148,549	148,592	(43)
Total public safety	6,783,562	7,397,847	7,396,649	1,198
Public works:				
Public works administration	1,352,701	1,384,926	1,384,853	73
Highways and streets	115,750	142,925	142,925	-
Solid waste collection	510,009	564,209	564,158	51
Total public works	1,978,460	2,092,060	2,091,936	124

(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, 2011

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health	$ 246,895	$ 151,805	$ 151,766	$ 39
Welfare	14,750	14,750	10,136	4,614
Community services	250,450	223,450	223,558	(108)
Public education	1,000	1,200	1,208	(8)
Total health and welfare	513,095	391,205	386,668	4,537
Parks and recreation:				
Recreation	716,266	624,631	624,700	(69)
Parks	131,470	101,720	101,629	91
Total parks and recreation	847,736	726,351	726,329	22
Housing and development:				
Conservation	133,805	98,805	98,827	(22)
Planning and zoning	146,815	144,640	144,673	(33)
Economic development and assistance	93,800	1,235,875	1,235,848	27
Economic opportunity	7,400	8,500	8,477	23
Total housing and development	381,820	1,487,820	1,487,825	(5)
Total expenditures	14,063,376	15,553,416	15,547,967	5,449
Deficiency of revenues under expenditures	(625,709)	(389,714)	(316,767)	72,947
Other financing sources (uses)				
Proceeds from sale of assets	20,000	56,600	56,600	-
Transfers out	(113,000)	(119,800)	(386,632)	(266,832)
Total other financing sources (uses)	(93,000)	(63,200)	(330,032)	(266,832)
Net change in fund balances	(718,709)	(452,914)	(646,799)	(193,885)
Fund balances, beginning of year	6,799,046	6,799,046	6,799,046	-
Fund balances, end of year	$ 6,080,337	$ 6,346,132	$ 6,152,247	$ (193,885)

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

CRISP COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Crisp County Water System	Crisp County Landfill	Self-Insurance Health Benefit Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 895,748	$ 1,148,809	$ 695,853	$ 2,740,410
Investments	100,542	132,962	-	233,504
Accounts receivable, net of allowances	55,242	61,345	53,497	170,084
Due from other governments	-	5,107	-	5,107
Prepaid expenses	5,494	15,091	-	20,585
Restricted assets, cash	151,493	-	-	151,493
Total current assets	1,208,519	1,363,314	749,350	3,321,183
NONCURRENT ASSETS				
Other assets	-	11,301	-	11,301
Capital assets:				
Nondepreciable	-	4,178,201	-	4,178,201
Depreciable, net of accumulated depreciation	3,905,991	2,701,699	-	6,607,690
Total noncurrent assets	3,905,991	6,891,201	-	10,797,192
Total assets	5,114,510	8,254,515	749,350	14,118,375
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	4,771	435,674	-	440,445
Claims payable	-	-	124,221	124,221
Accrued liabilities	1,460	20,359	-	21,819
Due to other funds	7,787	11,570	-	19,357
Due to other governments	180	16,025	-	16,205
Current portion - notes payable	-	246,504	-	246,504
Current portion - compensated absences	1,003	7,037	-	8,040
Payable from restricted assets:				
Customer deposits	55,810	4,700	-	60,510
Revenue bonds payable, current portion	35,645	-	-	35,645
Total current liabilities	106,656	741,869	124,221	972,746
NONCURRENT LIABILITIES				
Notes payable, net of current portion	-	4,817,169	-	4,817,169
Revenue bonds payable, net of current portion	1,593,607	-	-	1,593,607
Compensated absences, net of current portion	446	9,150	-	9,596
Closure and postclosure care costs	-	1,844,403	-	1,844,403
Total long-term liabilities	1,594,053	6,670,722	-	8,264,775
Total liabilities	1,700,709	7,412,591	124,221	9,237,521
NET ASSETS				
Invested in capital assets, net of related debt	2,276,739	1,816,228	-	4,092,967
Restricted for debt service	60,037	-	-	60,037
Unrestricted	1,077,025	(974,304)	625,129	727,850
Total net assets	$ 3,413,801	$ 841,924	$ 625,129	$ 4,880,854

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, 2011

	Crisp County Water System	Crisp County Landfill	Self-Insurance Health Benefit Fund	Totals
OPERATING REVENUES				
Charges for services	$ 549,906	$ 1,410,312	$ 2,119,879	$ 4,080,097
Other revenue	-	548,033	191,915	739,948
Total operating revenues	549,906	1,958,345	2,311,794	4,820,045
OPERATING EXPENSES				
Personal services	123,912	342,128	-	466,040
Cost of sales and services	170,675	680,490	2,258,748	3,109,913
Supplies	38,882	115,619	-	154,501
Administration	20,000	90,000	454,285	564,285
Depreciation and amortization	176,749	109,437	-	286,186
Total operating expenses	530,218	1,337,674	2,713,033	4,580,925
Operating income (loss)	19,688	620,671	(401,239)	239,120
NONOPERATING INCOME (EXPENSES)				
Interest income	2,843	7,749	32,400	42,992
Interest expense	(53,851)	(92,782)	-	(146,633)
Total nonoperating income (expenses)	(51,008)	(85,033)	32,400	(103,641)
Change in net assets	(31,320)	535,638	(368,839)	135,479
NET ASSETS, beginning of year	3,445,121	306,286	993,968	4,745,375
NET ASSETS, end of year	$ 3,413,801	$ 841,924	$ 625,129	$ 4,880,854

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, 2011

	Crisp County Water System	Crisp County Landfill	Self-Insurance Health Benefit Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund users	$ -	$ -	$ 1,075,699	$ 1,075,699
Receipts from other customers	607,868	2,167,121	1,206,469	3,981,458
Payments to suppliers	(227,705)	(875,914)	(2,725,832)	(3,829,451)
Payments to employees	(124,374)	(341,244)	-	(465,618)
Net cash provided by (used in) operating activities	255,789	949,963	(443,664)	762,088
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(14,650)	(1,880,626)	-	(1,895,276)
Principal paid on capital leases	-	(80,985)	-	(80,985)
Proceeds from notes payable	-	1,153,863	-	1,153,863
Principal paid on bonds	(34,507)	-	-	(34,507)
Principal paid on notes payable	-	(514,759)	-	(514,759)
Interest paid	(53,561)	(91,079)	-	(144,640)
Net cash used in capital and related financing activities	(102,718)	(1,413,586)	-	(1,516,304)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	(100,542)	(237)	-	(100,779)
Interest and dividends received	2,843	7,749	32,400	42,992
Net cash provided by (used in) investing activities	(97,699)	7,512	32,400	(57,787)
Increase (decrease) in cash and cash equivalents	55,372	(456,111)	(411,264)	(812,003)
Cash and cash equivalents:				
Beginning of year	991,869	1,604,920	1,107,117	3,703,906
End of year	$ 1,047,241	$ 1,148,809	$ 695,853	$ 2,891,903
Classified as:				
Cash and cash equivalents	$ 895,748	$ 1,148,809	$ 695,853	$ 2,740,410
Restricted assets, cash	151,493	-	-	151,493
	$ 1,047,241	$ 1,148,809	$ 695,853	$ 2,891,903
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ 19,688	$ 620,671	$ (401,239)	$ 239,120
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	176,749	109,437	-	286,186
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(21,741)	207,926	(29,626)	156,559
(Increase) decrease in due from other governments	180	(1,079)	-	(899)
Increase in prepaid expenses	(204)	(7,133)	-	(7,337)
Increase (decrease) in accounts payable	1,876	398,152	(12,799)	387,229
Increase (decrease) in accrued liabilities	(49)	989	-	940
Increase in customer deposits	2,407	850	-	3,257
Increase (decrease) in due to other funds	77,296	(402,417)	-	(325,121)
Increase (decrease) in compensated absences	(413)	884	-	471
Increase in closure and postclosure costs	-	21,683	-	21,683
Net cash provided by (used in) operating activities	$ 255,789	$ 949,963	$ (443,664)	$ 762,088

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

CRISP COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2011

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 567,416
Accounts receivable	9,594
Taxes receivable	1,195,522
Total assets	$ 1,772,532
LIABILITIES	
Due to others	$ 577,010
Uncollected taxes	1,195,522
Total liabilities	$ 1,772,532

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 ***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 $263,519. Of this amount, $89,398 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 2010:

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity (Continued)

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. Only the County Commission may modify or rescind the commitment.

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

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

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

- Committed
- Assigned
- Unassigned

Net Assets – Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 $913,545 difference are as follows:

Accrued interest payable	$	(9,629)
Capital leases		(99,243)
Notes payable		(452,976)
Compensated absences		(351,697)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	(913,545)

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

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 $2,070,682 difference are as follows:

Capital outlay	$	1,403,281
Depreciation expense		(3,473,963)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(2,070,682)

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 $48,182 difference are as follows:

Change in:		
Compensated absences	$	(13,801)
Net pension asset		60,371
Accrued interest		1,612
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	48,182

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.

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, 2011, the following departments had excesses of actual expenditures over appropriations, which were funded by available fund balance of the General Fund:

	Excess
Executive	$ 13
Elections	65
Data processing	35
Tax assessor	31
General government buildings and plant	130
Judicial administration	34
District attorney	2
Probate court	5
Juvenile court	698
Grand jury	14
Jail operations	51
EMS	39
Other protection	43
Community services	108
Public education	8
Recreation	69
Conservation	22
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, 2011, the County had the following investments:

Investments	Maturities	Fair Value
Primary government:		
Georgia Fund 1	59 day weighted average	$ 3,395,757
Certificates of deposit	1 year weighted average	536,266
		$ 3,932,023

As of June 30, 2011, the County's investment in Georgia Fund 1 was rated AAAm by Standard & Poor's.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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. The County does not have a formal custodial credit risk policy. 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, 2011, 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.

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, 2010, 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, 2011, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General	Crisp County Water System	Crisp County Landfill
Receivables:			
Taxes	$ 826,367	$ -	$ -
Accounts	36,773	55,242	536,648
Notes	-	-	-
	863,140	55,242	536,648
Less allowance for uncollectibles	(40,871)	-	(475,303)
Total receivables	$ 822,269	$ 55,242	$ 61,345

	Self-Insurance Health Benefit	Other Funds	Total
Receivables:			
Taxes	$ -	$ -	$ 826,367
Accounts	53,497	44,063	726,223
Notes	-	1,076,285	1,076,285
	53,497	1,120,348	2,628,875
Less allowance for uncollectibles	-	-	(516,174)
Total receivables	$ 53,497	$ 1,120,348	$ 2,112,701

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 2011 is as follows:

Levy date	July 23, 2010
Payment due date	December 20, 2010
Delinquency date	December 21, 2010
Collection dates	September 10, 2010 through December 20, 2010

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	69,272	18,234	-	-	87,506
Total	2,431,512	18,234	-	-	2,449,746
Capital assets, being depreciated:					
Land improvements	6,941,110	34,199	-	-	6,975,309
Infrastructure	69,789,206	-	(1,927,301)	-	67,861,905
Plant and buildings	22,577,394	22,147	-	-	22,599,541
Furniture, machinery, and equipment	14,542,353	1,328,701	(577,384)	-	15,293,670
Total	113,850,063	1,385,047	(2,504,685)	-	112,730,425
Less accumulated depreciation for:					
Land improvements	(2,212,883)	(288,888)	-	-	(2,501,771)
Infrastructure	(48,911,873)	(1,753,659)	470,352	-	(50,195,180)
Plant and buildings	(4,278,675)	(538,517)	-	-	(4,817,192)
Furniture, machinery, and equipment	(11,284,177)	(892,899)	500,600	-	(11,676,476)
Total	(66,687,608)	(3,473,963)	970,952	-	(69,190,619)
Total capital assets, being depreciated, net	47,162,455	(2,088,916)	(1,533,733)	-	43,539,806
Governmental activities capital assets, net	$ 49,593,967	$ (2,070,682)	$ (1,533,733)	$ -	$ 45,989,552

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	1,532,352	1,880,626	-	3,412,978
Total capital assets, not being depreciated	2,297,575	1,880,626	-	4,178,201
Capital assets, being depreciated:				
Plant and buildings	12,811,638	-	-	12,811,638
Furniture, machinery, and equipment	3,160,363	14,650	-	3,175,013
System improvements	213,954	-	-	213,954
Total	16,185,955	14,650	-	16,200,605
Less accumulated depreciation for:				
Plant and buildings	(6,495,468)	(216,208)	-	(6,711,676)
Furniture, machinery, and equipment	(2,607,381)	(67,790)	-	(2,675,171)
System improvements	(206,068)	-	-	(206,068)
Total	(9,308,917)	(283,998)	-	(9,592,915)
Total capital assets, being depreciated, net	6,877,038	(269,348)	-	6,607,690
Business-type activities capital assets, net	$ 9,174,613	$ 1,611,278	$ -	$ 10,785,891

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

Governmental activities:	
General government	$ 313,619
Judicial	7,749
Public safety	677,665
Public works	2,036,814
Health and welfare	41,930
Parks and recreation	263,003
Housing and development	133,183
Total depreciation expense - governmental activities	$ 3,473,963
Business-type activities	
Water system	$ 176,749
Landfill	107,249
Total depreciation expense - business-type activities	$ 283,998

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission

	Balance January 1, 2010	Additions	Deletions	Transfers	Balance December 31, 2010
Capital assets, not being depreciated:					
Land and land rights	$ 572,295	$ -	$ -	$ -	$ 572,295
Construction in progress	143,832	2,171,460	-	(2,311,941)	3,351
Total capital assets, not being depreciated	716,127	2,171,460	-	(2,311,941)	575,646
Capital assets, being depreciated:					
Intangible plant	1,867,232	-	-	-	1,867,232
Steam and gas plant	6,119,421	-	-	-	6,119,421
Hydraulic plant	7,211,071	-	-	219,412	7,430,483
Transmission plant	2,422,664	-	-	-	2,422,664
Distribution plant	41,820,515	-	(30,650)	1,425,052	43,214,917
General plant	7,510,363	-	(151,384)	667,477	8,026,456
Total capital assets, being depreciated	66,951,266	-	(182,034)	2,311,941	69,081,173
Less accumulated depreciation for:					
Intangible plant	(131,411)	(61,045)	-	-	(192,456)
Steam and gas plant	(6,110,042)	(6,552)	-	-	(6,116,594)
Hydraulic plant	(6,398,952)	(191,962)	-	-	(6,590,914)
Transmission plant	(2,381,522)	(1,269)	-	-	(2,382,791)
Distribution plant	(27,910,626)	(1,612,091)	30,650	-	(29,492,067)
General plant	(5,231,447)	(348,284)	151,384	-	(5,428,347)
Total accumulated depreciation	(48,164,000)	(2,221,203)	182,034	-	(50,203,169)
Total capital assets, being depreciated, net	18,787,266	(2,221,203)	-	2,311,941	18,878,004
Total capital assets	$ 19,503,393	$ (49,743)	$ -	$ -	$ 19,453,650

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	$ 25,000	$ -	$ 1,938,000
Construction in progress	-	14,000	-	14,000
Total	1,913,000	39,000	-	1,952,000
Capital assets, being depreciated:				
Building and improvements	35,669,000	152,000	-	35,821,000
Fixed equipment	11,348,000	113,000	(2,000)	11,459,000
Movable equipment	19,526,000	1,460,000	(382,000)	20,604,000
Total	66,543,000	1,725,000	(384,000)	67,884,000
Less accumulated depreciation for:				
Building and improvements	(15,009,000)	(1,140,000)	-	(16,149,000)
Fixed equipment	(8,291,000)	(658,000)	7,000	(8,942,000)
Movable equipment	(14,298,000)	(1,410,000)	344,000	(15,364,000)
Total	(37,598,000)	(3,208,000)	351,000	(40,455,000)
Total capital assets, being depreciated, net	28,945,000	(1,483,000)	(33,000)	27,429,000
Total capital assets, net	$ 30,858,000	$ (1,444,000)	$ (33,000)	$ 29,381,000

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, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	$ 594,222	$ -	$ 141,246	$ 452,976	$ 146,190
Capital leases payable	145,621	-	46,378	99,243	48,508
Compensated absences	337,896	277,587	263,786	351,697	128,900
Governmental activities long-term liabilities	$ 1,077,739	$ 277,587	$ 451,410	$ 903,916	$ 323,598
Business-type activities:					
Notes payable	$ 4,424,569	$ 1,153,863	$ 514,759	$ 5,063,673	$ 246,504
Capital leases payable	80,985	-	80,985	-	-
Revenue bonds payable	1,663,759	-	34,507	1,629,252	35,645
Compensated absences	17,165	16,181	15,710	17,636	8,040
Closure and postclosure care	1,822,720	21,683	-	1,844,403	-
Business-type activities long-term liabilities	$ 8,009,198	$ 1,191,727	$ 645,961	$ 8,554,964	$ 290,189
Component unit - Crisp Regional Health Services, Inc.					
Notes payable	$ 651,000	$ -	$ 242,000	$ 409,000	$ 230,000
Revenue bonds payable	19,135,000	-	1,160,000	17,975,000	1,220,000
Crisp Regional Health Services, Inc. long-term liabilities	$ 19,786,000	$ -	$ 1,402,000	$ 18,384,000	$ 1,450,000
Component unit - Crisp County Board of Health:					
Compensated absences	$ 56,275	$ 7,353	$ 10,166	$ 53,462	$ 10,166
Crisp County Board of Health long-term liabilities	$ 56,275	$ 7,353	$ 10,166	$ 53,462	$ 10,166

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 a local financial institution for equipment purchases. This note is as follows at June 30, 2011:

Purpose	Original Amount	Interest Rate	Due Date	Balance at June 30, 2011
Motorolla Project	$ 594,222	3.50%	2014	$ 452,976
		Less current maturities		(146,190)
				$ 306,786

Notes payable debt service requirements to maturity are as follows as of June 30, 2011:

Fiscal Year Payable	Total	Principal	Interest
2012	$ 162,044	$ 146,190	$ 15,854
2013	162,044	151,306	10,738
2014	160,922	155,480	5,442
	$ 485,010	$ 452,976	$ 32,034

Notes Payable. The County has also incurred debt to the Georgia Environmental Facilities Authority (GEFA) for landfill improvements. These notes are as follows at June 30, 2011:

Purpose	Original Amount	Interest Rate	Due Date	Balance at June 30, 2011
Landfill improvements	$ 1,508,343	2.00%	2020	$ 802,451
Landfill improvements	1,289,280	2.00%	2021	761,179
Landfill improvements	1,417,970	3.98%	2024	1,058,025
Landfill improvements	1,288,154	3.89%	2032	2,442,018
				5,063,673
			Less current maturities	(220,273)
				$ 4,843,400

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Notes Payable (Continued) The debt service requirement to maturity below does not include provision for the Georgia Environmental Facilities Authority note payable, of which $2,442,018 had been drawn as of June 30, 2011. This obligation is in the drawdown phase as of June 30, 2011, and repayment will be determined when all draws have been made.

Fiscal Year Payable	Total	Principal	Interest
2012	$ 291,570	$ 220,273	$ 71,297
2013	291,571	225,966	65,605
2014	291,570	231,824	59,746
2015	291,570	237,853	53,717
2016	291,570	244,059	47,511
2017 - 2021	1,357,622	1,148,862	208,760
2022 - 2026	335,052	312,818	22,234
	$ 3,150,525	$ 2,621,655	$ 528,870

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, 2011, is $243,030, which is included in governmental activities capital assets on the statement of net assets.

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

	Governmental Activities
Fiscal year ending June 30,	
2012	$ 53,067
2013	53,067
Total minimum lease payments	106,134
Less amount representing interest	(6,891)
Present value of minimum lease payments	$ 99,243

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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
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	88,068	40,587	47,481
2017 - 2021	440,340	223,922	216,418
2022 - 2026	440,339	263,374	176,965
2027 - 2031	440,340	309,779	130,561
2032 - 2036	440,340	364,358	75,982
2037 - 2041	293,090	277,440	15,650
	$ 2,494,789	$ 1,629,252	$ 865,537

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 $1,101,020. 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
2012	$ 241,000	$ 230,000	$ 11,000
2013	182,000	179,000	3,000
	$ 423,000	$ 409,000	$ 14,000

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
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	2,201,000	1,705,000	496,000
2017 - 2021	5,903,000	4,095,000	1,808,000
2022 - 2026	5,928,000	4,935,000	993,000
2027 - 2028	2,061,000	1,950,000	111,000
	$ 24,069,000	$ 17,975,000	$ 6,094,000

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2011 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Landfill Fund	$ 11,570
General Fund	Water System Fund	7,787
General Fund	Nonmajor Governmental Funds	111,647
		$ 131,004

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	Total
Nonmajor Governmental Funds	$ 386,632	$ 386,632
Total	$ 386,632	$ 386,632

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, 2011. 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 25 years.

A summary of the liability recorded at June 30, 2011 for closure and postclosure care costs is as follows:

	Vertical Landfill	Subtitle D Landfill	Total
Estimated closure costs	$ -	$ 3,412,615	$ 3,412,615
Estimated postclosure care costs	767,552	2,599,866	3,367,418
	767,552	6,012,481	$ 6,780,033
Percentage of capacity filled, June 30, 2011	100%	17.91%	
Closure and postclosure care cost liability	$ 767,552	$ 1,076,851	$ 1,844,403

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:

	2011	2010
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 741,914	$ 737,242
Interest on Net Pension Obligation	(24,928)	(20,249)
Amortization of Net Pension Obligation	26,672	21,666
Annual Pension Cost	$ 743,658	$ 738,659

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. Primary Government (Continued)

Derivation of Net Pension Obligation

Annual Pension Cost for Fiscal Year 2010	$ 738,659
Actual Contributions to Plan for Fiscal Year 2010	799,030
Increase (Decrease) in Net Pension Obligation	(60,371)
Net Pension Obligation (Asset) as of June 30, 2010	(261,280)
Net Pension Obligation (Asset) as of June 30, 2011	$ (321,651)

Basis of Valuation

Current Valuation Date	January 1, 2011
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)
1/1/2009	$ 700,004	$ 764,186	109 %	$ (197,098)
1/1/2010	738,659	799,030	108	(261,280)
1/1/2011	738,659	N/A	N/A	(321,651)

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
12/31/2010	$ 8,546,178	$ 11,328,002	$ 2,781,824	75.4%	$ 5,489,034	50.7%

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, 2010.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission

Plan Description

The Commission sponsors the Association County Commissioners of Georgia Restated Pension Plan for Commission Employees (The Plan), which is a defined benefit pension plan. Employees are vested in the plan after 10 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 Commission 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, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

Funding Policy

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

	2011	2010
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 445,259	$ 412,158
Interest on Net Pension Obligation	(21,266)	-
Amortization of Net Pension Obligation	22,754	-
Annual Pension Cost	$ 446,747	$ 412,158

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Derivation of Net Pension Obligation	
Annual Pension Cost for Fiscal Year 2010	$ 412,158
Actual Contributions to Plan for Fiscal Year 2010	686,555
Increase (Decrease) in Net Pension Obligation	(274,397)
Net Pension Obligation (Asset) as of December 31, 2009	-
Net Pension Obligation (Asset) as of December 31, 2010	$ (274,397)

Basis of Valuation	
Current Valuation Date	January 1, 2011
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.0% - 6.0% based on age
Expected Annual Inflation	8.0%
Actuarial Value of Assets	Smoothed 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)
1/1/2009	$ 551,540	$ 551,540	100 %	$ -
1/1/2010	412,158	686,555	167	-
1/1/2011	446,747	N/A	N/A	(274,397)

Fiscal Year Ending	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, 2006	$ 5,603,800	$ 6,538,321	$ 934,521	85.7 %	$ 2,386,059	39.2 %
January 1, 2007	6,222,831	6,718,646	495,815	92.6	2,454,362	20.2
January 1, 2008	6,532,615	7,064,500	531,885	92.5	2,537,609	21.0
January 1, 2009	5,384,913	7,519,536	2,134,623	71.6	2,600,937	82.1
January 1, 2010	6,817,673	8,882,912	2,065,239	76.8	2,550,064	81.0
December 31, 2010	7,259,243	9,408,037	2,148,794	77.2	2,550,064	84.3

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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, 2011.

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, 2011 were $38,293 based on qualifying salaries of $368,703. 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.

NOTE 11. RISK MANAGEMENT (CONTINUED)

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, 2011 were estimated based on the loss analysis report provided by a third-party administrator and pending specific stop loss reimbursements.

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

	2011	2010
Unpaid claims, beginning of fiscal year	$ 137,020	$ 388,169
Incurred claims (including IBNRs)	2,258,748	1,665,149
Claim payments and changes in estimates	(2,271,547)	(1,916,298)
Unpaid claims, end of fiscal year	$ 124,221	$ 137,020

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.

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

C. Component Unit – Crisp County Power Commission

The Commission has entered into contracts with 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. At December 31, 2010, MEAG's bonds were outstanding in the approximate principal amount of $6 billion. The Commission's entitlement share of that amount totals approximately $292 million at December 31, 2010.

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, 2011, 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.

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. DEFICIT FUND BALANCE

The Jail Fund reported deficit fund balance of $1,422, at June 30, 2011. The Jail Fund deficit fund balance is intended to be eliminated through increased transfers from the General Fund.

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
12/31/2005	$ 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%
12/31/2010	8,546,178	11,328,002	2,781,824	75.4%	5,489,034	50.7%

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.

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

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, 2011

	Special Revenue Funds			
ASSETS	**Law Library Fund**	**Asset Forfeiture Fund**	**DARE Fund**	**Jail Fund**
Cash and cash equivalents	$ 96,573	$ 126,389	$ 12,500	$ 10,595
Investments	-	435,724	-	-
Accounts receivable	-	-	-	-
Notes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	1,482
Prepaid items	-	-	-	20,747
Restricted cash	-	-	-	-
Total assets	$ 96,573	$ 562,113	$ 12,500	$ 32,824
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ 13,583
Accrued liabilities	-	-	-	-
Due to other funds	500	-	3,078	20,663
Total liabilities	500	-	3,078	34,246
FUND BALANCES (DEFICIT)				
Nonspendable:				
Long-term receivable	-	-	-	-
Restricted for:				
Judicial	96,073	-	-	-
Public safety	-	562,113	9,422	-
Economic development	-	-	-	-
Assigned to:				
Capital outlay	-	-	-	-
Unassigned	-	-	-	(1,422)
Total fund balances (deficit)	96,073	562,113	9,422	(1,422)
Total liabilities and fund balances (deficit)	$ 96,573	$ 562,113	$ 12,500	$ 32,824

		Capital Projects Fund	
E911 Fund	CDBG Revolving Loan Fund	Northside Water Distribution Fund	Totals
$ 72,165	$ 171,262	$ 2,536	$ 492,020
-	-	-	435,724
44,063	-	-	44,063
-	1,076,285	-	1,076,285
-	-	-	-
18,659	-	-	20,141
50,781	-	-	71,528
-	-	-	-
$ 185,668	$ 1,247,547	$ 2,536	$ 2,139,761
$ 3,979	$ -	$ 2,400	$ 19,962
13,873	-	-	13,873
87,284	-	122	111,647
105,136	-	2,522	145,482
-	1,076,285	-	1,076,285
	-		
-	-	-	96,073
80,532	-	-	652,067
-	171,262	-	171,262
-	-	14	14
-	-	-	(1,422)
80,532	1,247,547	14	1,994,279
$ 185,668	$ 1,247,547	$ 2,536	$ 2,139,761

CRISP COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Special Revenue Funds			
	Law Library Fund	Asset Forfeiture Fund	DARE Fund	Jail Fund
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Fines and forfeitures	50,092	70,270	19,764	151,938
Interest revenue	23	26,450	-	-
Other revenues	-	-	-	-
Total revenues	50,115	96,720	19,764	151,938
Expenditures:				
Current:				
Judicial	39,285	-	-	-
Public safety	-	42,110	18,929	230,560
Public works	-	-	-	-
Housing and development	-	-	-	-
Total expenditures	39,285	42,110	18,929	230,560
Excess (deficiency) of revenues over (under) expenditures	10,830	54,610	835	(78,622)
Other financing sources:				
Transfers in	-	-	-	78,661
Total other financing sources	-	-	-	78,661
Net change in fund balances	10,830	54,610	835	39
Fund balances (deficit), beginning of year	85,243	507,503	8,587	(1,461)
Fund balances (deficit), end of year	$ 96,073	$ 562,113	$ 9,422	$ (1,422)

		Capital Projects Fund	
E911 Fund	CDBG Revolving Loan Fund	Northside Water Distribution Fund	Totals
$ -	$ -	$ 84,807	$ 84,807
467,163	-	-	467,163
-	-	-	292,064
17	13,439	-	39,929
325	-	-	325
467,505	13,439	84,807	884,288
-	-	-	39,285
734,332	-	-	1,025,931
-	-	32,577	32,577
-	931,194	-	931,194
734,332	931,194	32,577	2,028,987
(266,827)	(917,755)	52,230	(1,144,699)
266,827	-	41,144	386,632
266,827	-	41,144	386,632
-	(917,755)	93,374	(758,067)
80,532	2,165,302	(93,360)	2,752,346
$ 80,532	$ 1,247,547	$ 14	$ 1,994,279

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
2000 REFERENDUM				
Airport	$ 375,000	$ 400,028	$ (66,327)	$ 333,701
County Buildings	1,517,655	1,472,633	3,578	1,476,211
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	2,044	3,019,857
Public Works/Sanitation	1,685,008	1,410,008	387,902	1,797,910
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	3,637,518	-	3,637,518
Industrial Development	855,000	1,097,863	-	1,097,863
County Road Project	3,876,164	2,417,688	101,101	2,518,789
Totals	$ 16,000,000	$ 15,722,187	$ 428,298	$ 16,150,485

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 $84,561 and County Road Projects of $59,038. Addtitionally, principle and interest payments of $53,068 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	$ 9,630,431	$ 4,058	$ 9,634,489
Recreational Department Project	1,000,000	661,795	12,636	674,431
Airport Project	270,000	-	7,646	7,646
Sheriff Department Project	920,000	356,349	572,301	928,650
County Buildings Project	835,000	411,509	52,257	463,766
EMS Project	340,000	53,465	-	53,465
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	2,896,050	153,919	3,049,969
Library Project	300,000	-	-	-
Emergency Signals Project	100,000	-	-	-
City of Arabi Projects	280,000	187,469	21,342	208,811
Fire Department Project	85,000	2,483	8,856	11,339
Animal Control Project	125,000	34,856	-	34,856
County Roads Project	3,400,000	-	-	-
Totals	$ 20,000,000	$ 16,507,729	$ 833,015	$ 17,340,744

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, 2011

ASSETS	Clerk of Superior Court	Probate Court	Sheriff's Office
Cash and cash equivalents	$ 70,163	$ 240,045	$ 234,493
Accounts receivable	-	9,594	-
Taxes receivable	-	-	-
Total assets	$ 70,163	$ 249,639	$ 234,493
LIABILITIES			
Due to others	$ 70,163	$ 249,639	$ 234,493
Uncollected taxes	-	-	-
Total liabilities	$ 70,163	$ 249,639	$ 234,493

Jail Inmate	Tax Commissioner	Magistrate Court	Total
$ 2,579	$ 2,578	$ 17,558	$ 567,416
-	-	-	9,594
-	1,195,522	-	1,195,522
$ 2,579	$ 1,198,100	$ 17,558	$ 1,772,532
$ 2,579	$ 2,578	$ 17,558	$ 577,010
-	1,195,522	-	1,195,522
$ 2,579	$ 1,198,100	$ 17,558	$ 1,772,532

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, 2011, which collectively comprise Crisp County Georgia's basic financial statements and have issued our report thereon dated December 27, 2011. Our report includes a reference to other auditors. As discussed in Note 1, Crisp County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010. 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. This 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

Management of Crisp County, Georgia is responsible for establishing and maintaining effective 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.

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 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.

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2011-1 to be a significant deficiency. 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.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain additional matters that we reported to management of Crisp County, Georgia in a separate letter dated December 27, 2011.

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

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 27, 2011

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

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, 2011. 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 *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2011.

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 27, 2011

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Justice			
Passed through Criminal Justice Coordinating Council			
State Criminal Alien Assistance Program	16.606	2010-AP-BX-0375	$ 763
Crime Vicitms Assitance Program	16.575	C10-8-055	65,968
Crime Vicitms Assitance Program	16.575	C09-8-047	17,863
			83,831
Byrne Formula Grant Program	16.579	2009-DJ-BX-0362	29,267
Byrne Formula Grant Program	16.579	2010-DJ-BX-1590	6,802
Byrne Formula Grant Program	16.579	2010-DJ-BX-0362	90,000
			126,069
Byrne Memorial Justice Assistance - ARRA	16.803	B82-8-097	21,870
Byrne Memorial Justice Assistance - ARRA	16.803	B82-8-098	11,025
Byrne Memorial Justice Assistance - ARRA	16.803	B82-8-009	11,667
Total JAG Program Cluster			44,562
Victims Witness Assistance Program - ARRA	16.588	W82-8-014	13,135
Victims Witness Assistance Program	16.588	W08-8-053	38,939
Victims Witness Assistance Program	16.588	W10-8-050	34,745
			86,819
Passed through Juvenile Court Judges of Georgia			
Juvenile Accountability Incentive Block Grant	16.523	JB-08ST-0002	2,753
Juvenile Accountability Incentive Block Grant	16.523	JB 07ST-004	1,580
			4,333
Total U.S. Department Justice			346,377
U.S. Department of Transportation			
Passed through Georgia Department of Transportation			
Section 5311 Operating Assistance	20.509	T003533	139,650
Section 5311 Operating Assistance - ARRA	20.509	T002858	2,330
			141,980
Airport Improvement Grant	20.106	AP070-9900-23(081)	16,779
Airport Improvement Grant	20.106	AP011-9016-24(081)	67,341
			84,120
Total U.S. Department of Transportation			226,100

(Continued)

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
Disaster Recovery Program	97.036	FEMA-1833-DR-GA	$ 25,311
Hazard Mitigation Grant	97.039	1686-050	13,569
Local EMA Partnership Performance	97.042	OEM10-042	8,727
Local EMA Partnership Performance	97.042	OEM09-042	34,560
			43,287
Homeland Security Grant Cluster	97.067	2010-SS-T0-0034	123,680
State Homeland Security Program	97.073	2007-GE-T7-0054	7,823
Total U.S. Department of Homeland Security			213,670
U.S. Department of Housing & Urban Development			
Passed through Georgia Department of Community Affairs			
CDBG - State Administered CDBG Cluster	14.228	08P-Y-040-1-5036	7,388
CDBG - State Administered CDBG Cluster	14.228	07P-Y-040-1-3351	390,033
CDBG - State Administered CDBG Cluster	14.228	10P-Y-040-1-5274	20,296
Total U.S. Department of Housing & Urban Development			417,717
Total Expenditures of Federal Awards			$ 1,203,864

CRISP COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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.

NOTE 2. SUBRECEIPIENTS

During the fiscal year ended June 30, 2011, disbursements were made to subreceipients of the following grant programs:

Program	CFDA	Amount
Community Development Block Grant Cluster		$ 356,115

CRISP COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	___ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes ____ none reported
Noncompliance material to financial statements noted?	___ yes __X__ no

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	___ yes __X__ no
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 Justice Assistance Cluster
14.228	Community Development Block Grant Cluster
20.509	5311 Transportation 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, 2011

SECTION II
FINDINGS: FINANCIAL STATEMENTS AUDIT

2011-1. Segregation of Duties

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

Condition: For the fiscal year ending June 30, 2011, 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.

CRISP COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported

CRISP COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

2010-1. 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, 2010, 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 2011-1.

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.

Auditee Response/Status: This finding was resolved during the fiscal year ended June 30, 2011.

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.

Auditee Response/Status: This finding was resolved during the fiscal year ended June 30, 2011.

CRISP COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

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

Criteria: Generally accepted accounting principles require consideration of the collectability of receivables of all kinds whether external or internal to the County. As part of that process, the County should review the amounts included in due to/from accounts (interfund receivables and payables) in each fund to determine 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.

Auditee Response/Status: This finding was resolved during the fiscal year ended June 30, 2011.

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.

Auditee Response/Status: This finding was resolved during the fiscal year ended June 30, 2011.