CRISP COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

MAULDIN & JENKINS

INTRODUCTORY SECTION

CRISP COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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CRISP COUNTY, GEORGIA

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2012

ELECTED

Arthur James Nance, County Commissioner

William Culpepper, County Commissioner

James D. Harris, County Commissioner

Wallace Mathis, County Commissioner

Clark Henderson, County Commissioner

STAFF

Tom L. Patton, 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** (the "County"), as of and for the year ended June 30, 2012, 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 $279,379 and total revenues of $606,233 or the Crisp Regional Health Services, Inc. which statements reflect total assets of $85,771,000 and total revenues of $82,223,000 for the year ended June 30, 2012. 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 the 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, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2012, 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 60 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 about the 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 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 presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 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 financial statements as a whole.

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 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information 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, 2012

CRISP COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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, 2012. 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, 2012, by $65,092,240 (net assets). Of this amount, $8,537,534 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Primary Government's total net assets increased by $533,218 for the fiscal year ended June 30, 2012.
- Included in the total net assets of the Primary Government, is an investment of $48,299,378 in capital assets net of related debt.
- The County's General Fund unassigned fund balance declined by $59,408 to $4,771,639 for the fiscal year. Including fund transfers, this equates to 32% of total General Fund expenditures.
- The fund balances of $9,199,069 from SPLOST and other governmental fund balances brings the County's combined ending fund balance to $15,277,831 as of the close of fiscal year 2012. This represents an increase from the previous fiscal year in the amount of $1,738,427 or approximately 13%.
- The County's capital lease, notes payable and revenue bond debt balance reported at June 30, 2012 was decreased by $194,813 over this fiscal period.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Crisp County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic statements themselves.

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

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

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

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

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

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Crisp County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three (3) categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

For the fiscal year ended June 30, 2012, the County maintained eleven (11) individual governmental funds to account for the following activities: General Fund, Law Library Fund, Asset Forfeiture Fund, DARE Fund, Jail Fund, E-911 Fund, CDBG Revolving Loan Fund, Northside Water Distribution Fund, and Capital Project 2000 (SPLOST), 2005 (SPLOST) Funds and 2011 (SPLOST) Funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the 2011 Sales Tax Fund, and the 2005 Sales Tax Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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 67 – 68.

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 – 59 of this report.

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

Government-Wide Financial Analysis

Net assets generally serve over time as a useful indicator of a government's financial position. In the case of Crisp County, assets exceed liabilities by $65,092,240 at the close of the most recent fiscal year.

The largest portion of the County's net assets (74%) 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, 2012

	Governmental Activities		Business-type Activities		Total	
	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012
Current and other assets	$ 15,170,686	$ 17,343,317	$ 3,313,127	$ 3,343,042	$ 18,483,813	$ 20,686,359
Capital assets	45,989,552	44,925,819	10,785,891	10,423,890	56,775,443	55,349,709
Total assets	61,160,238	62,269,136	14,099,018	13,766,932	75,259,256	76,036,068
Long-term liabilities outstanding	580,318	441,442	8,264,775	8,169,227	8,845,093	8,610,669
Other liabilities	901,752	1,524,559	953,389	808,600	1,855,141	2,333,159
Total liabilities	1,482,070	1,966,001	9,218,164	8,977,827	10,700,234	10,943,828
Net assets:						
Invested in capital assets, net of related debt	45,437,333	44,568,282	4,092,967	3,731,096	49,530,300	48,299,378
Restricted	6,321,782	8,196,422	60,037	58,906	6,381,819	8,255,328
Unrestricted	7,919,053	7,538,431	727,850	999,103	8,646,903	8,537,534
Total net assets	$ 59,678,168	$ 60,303,135	$ 4,880,854	$ 4,789,105	$ 64,559,022	$ 65,092,240

The remaining balance of unrestricted net assets of $8,537,534 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.

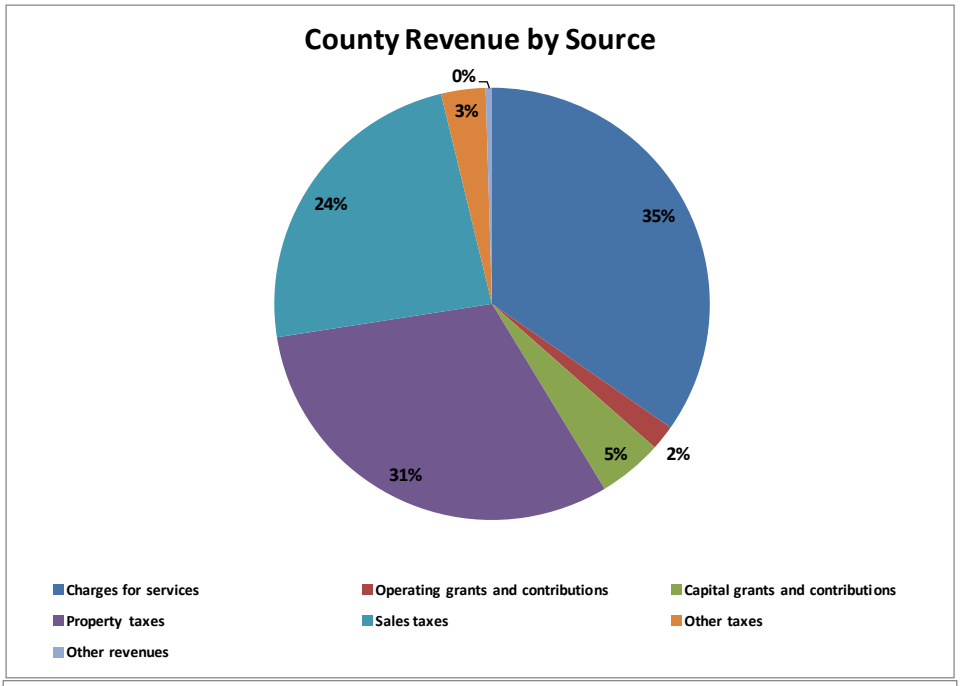
Governmental Activities. The County's net assets were actually increased by governmental activities for the fiscal year by $624,967. As indicated by the following chart, governmental activities expenses were under revenues by just over 3% or $624,967 for the twelve-month period of July 1, 2011 through June 30, 2012.

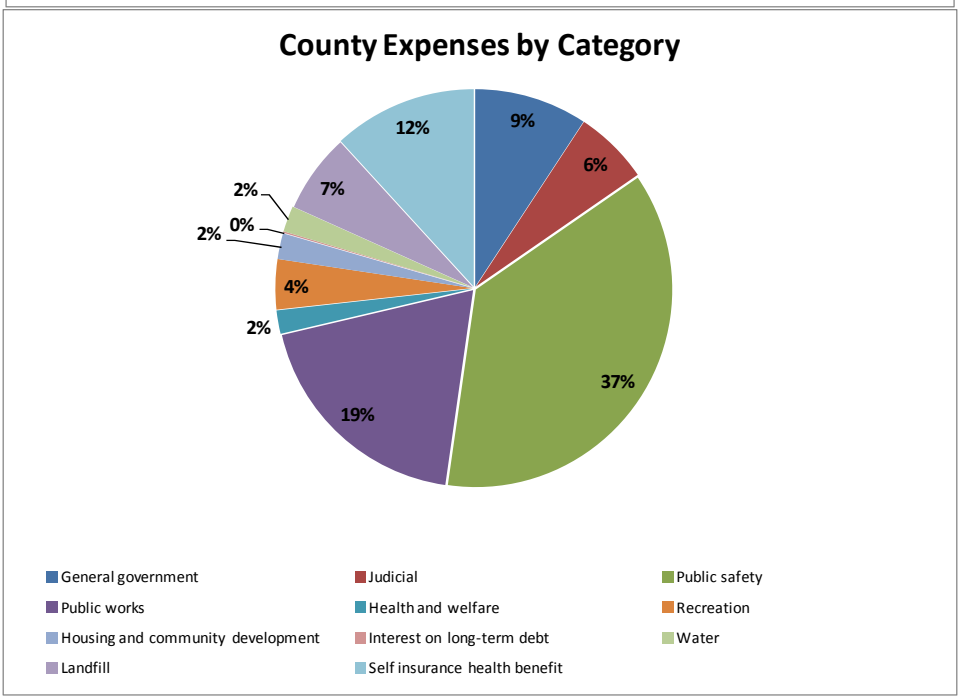
Business-type activities. Business-type activities decreased the County's net assets for fiscal year 2012, by $91,749. Charges for services represented 99% of the total revenue, while unrestricted investment earnings represented the remaining 1%. The following table also indicates the changes in net assets for business-type activities for the 2012 fiscal year:

CRISP COUNTY'S CHANGES IN NET ASSETS
June 30, 2012

	Governmental Activities		Business-type Activities		Total	
	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012
Revenues:						
Program revenues:						
Charges for services	$ 4,506,062	$ 3,999,008	$ 4,820,045	$ 4,507,123	$ 9,326,107	$ 8,506,131
Operating grants and contributions	477,333	454,344	-	-	477,333	454,344
Capital grants and contributions	1,105,228	1,173,383	-	-	1,105,228	1,173,383
General revenues:						
Property taxes	7,611,588	7,637,463	-	-	7,611,588	7,637,463
Sales taxes	5,625,461	5,810,623	-	-	5,625,461	5,810,623
Franchise taxes	51,481	45,055	-	-	51,481	45,055
Insurance premimum tax	519,459	537,653	-	-	519,459	537,653
Other taxes	201,798	227,107	-	-	201,798	227,107
Unrestricted investment earnings	96,732	87,313	42,992	21,717	139,724	109,030
Gain on sale of captial assets	-	5,932	-	-	-	5,932
Transfers	-	(275,000)	-	275,000	-	-
Total revenues	20,195,142	19,702,881	4,863,037	4,803,840	25,058,179	24,506,721
Expenses:						
General government	3,608,856	2,220,398	-	-	3,608,856	2,220,398
Judicial	1,541,274	1,470,367	-	-	1,541,274	1,470,367
Public safety	8,804,783	8,839,699	-	-	8,804,783	8,839,699
Public works	4,327,320	4,571,495	-	-	4,327,320	4,571,495
Health and welfare	428,598	459,319	-	-	428,598	459,319
Recreation	993,327	984,475	-	-	993,327	984,475
Housing and community development	2,550,809	504,054	-	-	2,550,809	504,054
Interest on long-term debt	25,876	28,107	-	-	25,876	28,107
Water	-	-	584,069	509,047	584,069	509,047
Landfill	-	-	1,430,456	1,555,947	1,430,456	1,555,947
Self insurance health benefit	-	-	2,713,033	2,830,595	2,713,033	2,830,595
Total expenses	22,280,843	19,077,914	4,727,558	4,895,589	27,008,401	23,973,503
Total increase (decrease) in net assets	(2,085,701)	624,967	135,479	(91,749)	(1,950,222)	533,218
Net assets, beginning of year	61,763,869	59,678,168	4,745,375	4,880,854	67,618,277	64,559,022
Net assets, end of year	$ 59,678,168	$ 60,303,135	$ 4,880,854	$ 4,789,105	$ 65,668,055	$ 65,092,240

Approximately 35% of the County's total revenue came from charges from services, 31% from property taxes, 24% from sales tax, while the remaining 10% came from various other revenues. The County's expenses cover a range of services. The largest expenses, 37%, 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 $1,738,247 increasing that total by 13% up to $15,277,831.

The General Fund is the chief operating fund of Crisp County and ended the fiscal year with a fund balance of $6,078,762. Of that amount $307,123 was nonspendable for prepaid items and inventory and $1,000,000 was assigned for budgetary stabilization. The remaining $4,771,639 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 34% of total General Fund expenditures.

The 2000, 2005 and 2011 Sales Tax Funds have a combined total fund balance of $7,268,805 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 $1,199,662. The Water Fund had operating income of $28,015 for fiscal year 2012. Combined with non-operating income (expenses) of ($48,539), this fund's net assets decreased by $20,524 during fiscal year 2012.

Unrestricted net assets of the Landfill Fund at the end of the year amounted to a negative $767,281. The Landfill Fund's operating loss of $126,562 combined with non-operating income (expenses) of ($161,256) and transfers in of $275,000 provided a decrease of $12,818 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, 2012, amounts to $55,349,709 (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	
	2012	2012	Total
Land	$ 2,361,658	$ 765,223	$ 3,126,881
Construction in progress	1,851,241	115,435	1,966,676
Land improvements	4,276,655	-	4,276,655
Infrastructure	15,913,520	-	15,913,520
Plant and buildings	17,243,885	9,190,109	26,433,994
Furniture, machinery & equipment	3,278,860	346,175	3,625,035
System Improvements	-	6,948	6,948
Total	$ 44,925,819	$ 10,423,890	$ 55,349,709

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

- Over $1,163,093 was expended on the expansion of the Crisp County Jail, funded by SPLOST.
- $30,036 was expended for the Crisp County Recreation Department for equipment and repairs.
- Over $586,540 was expended for the T-Hanger & Taxiway Project, land acquisition and equipment repairs at the Crisp County Airport. SPLOST and DOT grant revenues provided funding for this Economic Development Project.
- $145,334 was expended for a new ambulance for the EMS Department, which was funded equally by SPLOST Funds and grant revenues.
- $94,532.50 was expended for highway maintenance for resurfacing and striping, which SPLOST funds and grant revenues were used.
- There were three new vehicles purchased for the fiscal year. Two were for the Sheriff's Department for a total of $41,986 and one for the Tax Assessor for $22,120. These were funded through General Fund and SPLOST funds.
- The Tax Commissioner purchased new computer software for $17,720, funded by the General Fund.
- Construction of two MSW cells and one C&D cell at the County's Landfill was completed, which began in fiscal year 2009. During fiscal year 2012 there was $224,647 expended to complete this project, which was funded by GEFA loans.
- 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, 2012, 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 $136,202 and increased for business-type activities by $27,559 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 10.8%, which exceeds both the rate for the State of Georgia of 9.0% and the national average of 8.2%.

Requests for Information

This financial report is designed to provide a general overview of Crisp County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Sherrie Leverett, Finance Director, 210 South 7th Street, Room 309, Cordele, Georgia 31015 or sleverett@crispcounty.com.

CRISP COUNTY, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2012

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 10,750,171	$ 2,457,586	$ 13,207,757
Investments	3,557,540	133,122	3,690,662
Taxes receivable	1,070,231	-	1,070,231
Accounts receivable, net of allowances	71,803	280,183	351,986
Notes receivable	948,831	-	948,831
Internal balances	(289,495)	289,495	-
Due from other governments	479,593	1,226	480,819
Due from component unit	12,872	-	12,872
Inventories	25,824	-	25,824
Prepaid items	353,352	19,085	372,437
Other assets	362,595	9,113	371,708
Restricted assets:			
Cash	-	153,232	153,232
Assets limited as to use	-	-	-
Goodwill	-	-	-
Deferred financing costs	-	-	-
Investment in affiliated companies	-	-	-
Capital assets:			
Nondepreciable	4,212,899	880,658	5,093,557
Depreciable, net of accumulated depreciation	40,712,920	9,543,232	50,256,152
Long-term intangible asset	-	-	-
Total assets	62,269,136	13,766,932	76,036,068
LIABILITIES			
Accounts payable	812,263	161,985	974,248
Accrued liabilities	221,306	22,396	243,702
Customer deposits payable	-	62,205	62,205
Claims payable	-	133,290	133,290
Other payables	-	-	-
Due to other governments	165,418	15,428	180,846
Due to primary government	-	-	-
Unearned revenues	-	-	-
Capital leases due within one year	50,737	-	50,737
Capital leases due in more than one year	-	-	-
Notes payable due within one year	151,306	368,988	520,294
Notes payable due in more than one year	155,494	4,730,199	4,885,693
Bonds payable due within one year	-	36,821	36,821
Bonds payable due in more than one year	-	1,556,786	1,556,786
Compensated absences due within one year	123,529	7,487	131,016
Compensated absences due more than one year	285,948	8,074	294,022
Closure and postclosure care costs	-	1,874,168	1,874,168
Total liabilities	1,966,001	8,977,827	10,943,828
NET ASSETS			
Invested in capital assets, net of related debt	44,568,282	3,731,096	48,299,378
Restricted for:			
Debt service	-	58,906	58,906
Judicial	114,292	-	114,292
Public safety	544,151	-	544,151
Economic development	269,174	-	269,174
Capital outlay	7,268,805	-	7,268,805
Unrestricted	7,538,431	999,103	8,537,534
Total net assets	$ 60,303,135	$ 4,789,105	$ 65,092,240

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

MAULDIN & JENKINS

Component Units		
Crisp County Power Commission	Crisp Regional Health Service, Inc.	Crisp County Board of Health
$ 7,439,710	$ 1,985,000	$ 279,379
9,800,588	-	-
-	-	-
2,963,984	10,664,000	-
-	1,087,000	-
-	-	-
-	-	
-	-	-
910,807	1,159,000	-
416,789	-	-
837,639	1,144,000	-
-	-	-
555,455	40,003,000	-
-	311,000	-
-	560,000	-
-	402,000	-
662,392	2,077,000	-
18,274,161	26,379,000	-
320,454	-	-
42,181,979	85,771,000	279,379
2,305,422	1,924,000	-
465,052	3,881,000	-
556,155	-	-
-	-	-
-	27,000	-
-	-	-
-	13,000	-
-	-	-
-	-	-
-	-	-
-	179,000	-
-	-	-
-	1,285,000	-
-	15,470,000	-
-	-	7,695
-	-	22,015
-	-	-
3,326,629	22,779,000	29,710
18,936,553	11,522,000	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	116,992
19,918,797	51,470,000	132,677
$ 38,855,350	$ 62,992,000	$ 249,669

CRISP COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 2,220,398	$ 583,543	$ 6,427	$ 289
Judicial	1,470,367	61,052	-	21
Public safety	8,839,699	3,228,104	354,932	409,401
Public works	4,571,495	6,191	92,985	3,739
Health and welfare	459,319	-	-	-
Parks and recreation	984,475	117,268	-	76
Housing and development	504,054	2,850	-	759,857
Interest on long-term debt	28,107	-	-	-
Total governmental activities	19,077,914	3,999,008	454,344	1,173,383
Business-type activities:				
Water system	509,047	484,645	-	-
Landfill	1,555,947	1,263,741	-	-
Self-insurance health benefit	2,830,595	2,758,737	-	-
Total business-type activities	4,895,589	4,507,123	-	-
Total primary government	$ 23,973,503	$ 8,506,131	$ 454,344	$ 1,173,383
Component unit:				
Crisp County Power Commission	$ 33,820,459	$ 34,649,652	$ -	$ -
Crisp Regional Health Services, Inc.	76,968,000	80,906,000	203,000	-
Crisp County Board of Health	556,532	212,025	394,080	-
Total component unit	$ 111,344,991	$ 115,767,677	$ 597,080	$ -
General revenues:				
Property taxes				
Sales taxes				
Franchise fees				
Insurance premium tax				
Other taxes				
Unrestricted investment earnings				
Gain (loss) on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

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

Net (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	
$ (1,630,139)	$ -	$ (1,630,139)	$ -	$ -	$ -	
(1,409,294)	-	(1,409,294)	-	-	-	
(4,847,262)	-	(4,847,262)	-	-	-	
(4,468,580)	-	(4,468,580)	-	-	-	
(459,319)	-	(459,319)	-	-	-	
(867,131)	-	(867,131)	-	-	-	
258,653	-	258,653	-	-	-	
(28,107)	-	(28,107)	-	-	-	
(13,451,179)	-	(13,451,179)	-	-	-	
-	(24,402)	(24,402)	-	-	-	
-	(292,206)	(292,206)	-	-	-	
-	(71,858)	(71,858)	-	-	-	
-	(388,466)	(388,466)	-	-	-	
$ (13,451,179)	$ (388,466)	$ (13,839,645)	$ -	$ -	$ -	
$ -	$ -	$ -	$ 829,193	$ -	$ -	
-	-	-	-	4,141,000	-	
-	-	-	-	-	49,573	
$ -	$ -	$ -	$ 829,193	$ 4,141,000	$ 49,573	
$ 7,637,463	$ -	$ 7,637,463	$ -	$ -	$ -	
5,810,623	-	5,810,623	-	-	-	
45,055	-	45,055	-	-	-	
537,653	-	537,653	-	-	-	
227,107	-	227,107	-	-	-	
87,313	21,717	109,030	227,641	1,114,000	128	
5,932	-	-	-	-	-	
(275,000)	275,000	-	-	-	-	
14,076,146	296,717	14,366,931	227,641	1,114,000	128	
624,967	(91,749)	533,218	1,056,834	5,255,000	49,701	
59,678,168	4,880,854	64,559,022	37,798,516	57,737,000	199,968	
$ 60,303,135	$ 4,789,105	$ 65,092,240	$ 38,855,350	$ 62,992,000	$ 249,669	

CRISP COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	2011 Sales Tax Fund	2005 Sales Tax Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS					
Cash and cash equivalents	$ 3,100,438	$ 685,212	$ 5,598,609	$ 1,365,912	$ 10,750,171
Investments	2,589,343	-	-	968,197	3,557,540
Receivables, net of allowance:					
Taxes	702,826	367,405	-	-	1,070,231
Accounts	31,505	-	-	40,298	71,803
Notes	-	-	-	948,831	948,831
Due from other funds	285,310	-	-	27,410	312,720
Due from other governments	330,870	-	-	148,723	479,593
Due from component unit	12,872	-	-	-	12,872
Prepaid items	281,299	-	-	72,053	353,352
Inventory	25,824	-	-	-	25,824
Total assets	$ 7,360,287	$ 1,052,617	$ 5,598,609	$ 3,571,424	$ 17,582,937
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 252,530	$ 411,805	$ 6,451	$ 141,477	$ 812,263
Accrued liabilities	183,063	-	-	20,935	203,998
Due to other funds	317,360	100,000	-	184,855	602,215
Due to other governments	7,360	158,058	-	-	165,418
Deferred revenues	521,212	-	-	-	521,212
Total liabilities	1,281,525	669,863	6,451	347,267	2,305,106
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	281,299	-	-	72,053	353,352
Inventory	25,824	-	-	-	25,824
Long-term receivable	-	-	-	948,831	948,831
Restricted for:					
Judicial	-	-	-	114,292	114,292
Public safety	-	-	-	544,151	544,151
Economic development	-	-	-	269,174	269,174
Capital outlay	-	382,754	5,592,158	1,293,893	7,268,805
Assigned for:					
Budgetary stabilization	1,000,000	-	-	-	1,000,000
Capital outlay	-	-	-	4,446	4,446
Unassigned	4,771,639	-	-	(22,683)	4,748,956
Total fund balances	6,078,762	382,754	5,592,158	3,224,157	15,277,831
Total liabilities and fund balances	$ 7,360,287	$ 1,052,617	$ 5,598,609	$ 3,571,424	

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.	44,925,819
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	521,212
Net pension asset used in governmental activities is not a financial resource and, therefore, is not reported in governmental funds	362,595
Certain liabilities are not due and payable in the current period and are, therefore, not reported in the funds.	(784,322)
Net assets of governmental activities	$ 60,303,135

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, 2012

	General	2011 Sales Tax Fund	2005 Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 7,857,357	$ -	$ -	$ -	$ 7,857,357
Sales taxes	1,857,819	2,048,503	1,904,301	-	5,810,623
Franchise taxes	45,055	-	-	-	45,055
Insurance premium taxes	537,653	-	-	-	537,653
Other taxes	227,107	-	-	-	227,107
Licenses and permits	70,367	-	-	-	70,367
Intergovernmental	934,997	-	72,254	614,051	1,621,302
Charges for services	1,032,835	-	-	456,730	1,489,565
Fines and forfeitures	1,894,076	-	-	338,861	2,232,937
Interest income	52,543	501	8,849	31,845	93,738
Other revenues	188,557	16,924	-	658	206,139
Total revenues	14,698,366	2,065,928	1,985,404	1,442,145	20,191,843
Expenditures					
Current:					
General government	1,989,097	-	-	-	1,989,097
Judicial	1,435,833	-	-	42,833	1,478,666
Public safety	7,145,855	-	-	1,154,522	8,300,377
Public works	2,026,888	-	-	30,680	2,057,568
Health and welfare	417,493	-	-	-	417,493
Parks and recreation	753,381	-	-	-	753,381
Housing and development	381,393	-	-	78,673	460,066
Intergovernmental payments	-	481,034	-	-	481,034
Capital outlay	-	1,202,140	174,031	683,673	2,059,844
Debt service:					
Principal	-	-	146,174	48,508	194,682
Interest	-	-	15,869	4,559	20,428
Total expenditures	14,149,940	1,683,174	336,074	2,043,448	18,212,636
Excess (deficiency) of revenues over (under) expenditures	548,426	382,754	1,649,330	(601,303)	1,979,207
Other financing sources (uses)					
Proceeds from the sale of capital assets	-	-	-	34,220	34,220
Transfers in	-	-	-	346,911	346,911
Transfers out	(621,911)	-	-	-	(621,911)
Total other financing sources (uses)	(621,911)	-	-	381,131	(240,780)
Net change in fund balances	(73,485)	382,754	1,649,330	(220,172)	1,738,427
Fund balances, beginning of year	6,152,247	-	3,942,828	3,444,329	13,539,404
Fund balances, end of year	$ 6,078,762	$ 382,754	$ 5,592,158	$ 3,224,157	$ 15,277,831

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, 2012

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	1,738,427
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 capital outlay in the current period.		(1,035,445)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(28,288)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(219,894)
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.		194,682
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.		(24,515)
Net change in net assets - governmental activities	$	624,967

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, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 7,802,000	$ 7,591,550	$ 7,857,357	$ 265,807
Sales taxes	1,700,000	1,857,800	1,857,819	19
Franchise taxes	50,000	45,100	45,055	(45)
Insurance premium taxes	513,000	537,600	537,653	53
Other taxes	168,100	227,000	227,107	107
Licenses and permits	63,900	70,400	70,367	(33)
Intergovernmental	713,084	935,159	934,997	(162)
Charges for services	1,242,852	1,027,355	1,032,835	5,480
Fines and forfeitures	1,846,500	1,855,825	1,894,076	38,251
Interest revenue	52,000	52,550	52,543	(7)
Other revenues	157,914	375,629	188,557	(187,072)
Total revenues	14,309,350	14,575,968	14,698,366	122,398
Expenditures:				
Current:				
General government:				
Legislative	331,566	344,919	344,934	(15)
Executive	135,775	47,085	47,073	12
Elections	103,571	109,489	109,468	21
Financial administration	311,539	322,192	322,236	(44)
Data processing	60,253	54,269	54,254	15
Tax commissioner	281,121	291,450	291,453	(3)
Tax assessor	469,591	478,856	478,791	65
General government buildings and plant	378,255	340,913	340,888	25
Total general government	2,071,671	1,989,173	1,989,097	76
Judicial:				
Judicial administration	309,580	272,418	272,430	(12)
Clerk of superior court	388,025	367,609	367,671	(62)
District attorney	237,493	228,893	228,922	(29)
Magistrate court	203,329	198,450	198,495	(45)
Probate court	284,407	275,686	275,692	(6)
Juvenile court	49,499	54,964	54,964	-
Grand jury	25,000	19,700	19,717	(17)
Public defender	40,332	17,932	17,942	(10)
Total judicial	1,537,665	1,435,652	1,435,833	(181)
Public safety:				
Sheriff	2,843,100	3,000,692	3,014,908	(14,216)
Jail operations	2,101,339	2,211,925	2,211,938	(13)
Fire	1,221,357	1,191,697	1,191,763	(66)
EMS	435,338	584,588	584,646	(58)
Coroner	42,176	36,826	36,827	(1)
Other protection	95,481	105,743	105,773	(30)
Total public safety	6,738,791	7,131,471	7,145,855	(14,384)
Public works:				
Public works administration	1,417,495	1,402,666	1,402,699	(33)
Highways and streets	159,750	123,175	123,170	5
Solid waste collection	597,507	501,020	501,019	1
Total public works	2,174,752	2,026,861	2,026,888	(27)

(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, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health	$ 245,920	$ 110,570	$ 110,569	$ 1
Welfare	14,750	14,750	14,750	-
Community services	250,500	290,975	290,971	4
Public education	1,300	1,200	1,203	(3)
Total health and welfare	512,470	417,495	417,493	2
Parks and recreation:				
Recreation	686,574	675,362	675,131	231
Parks	81,173	78,271	78,250	21
Total parks and recreation	767,747	753,633	753,381	252
Housing and development:				
Conservation	112,278	107,990	107,976	14
Planning and zoning	147,386	148,300	148,314	(14)
Economic development and assistance	104,975	116,675	116,757	(82)
Economic opportunity	8,400	8,375	8,346	29
Total housing and development	373,039	381,340	381,393	(53)
Total expenditures	14,186,050	14,135,625	14,149,940	(14,315)
Excess of revenues over expenditures	123,300	440,343	548,426	108,083
Other financing sources (uses)				
Proceeds from sale of assets	10,000	-	-	-
Capital leases	27,000	-	-	-
Transfers out	(435,863)	(636,088)	(621,911)	14,177
Total other financing sources (uses)	(398,863)	(636,088)	(621,911)	14,177
Net change in fund balances	(275,563)	(195,745)	(73,485)	122,260
Fund balances, beginning of year	6,152,247	6,152,247	6,152,247	-
Fund balances, end of year	$ 5,876,684	$ 5,956,502	$ 6,078,762	$ 122,260

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

CRISP COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Crisp County Water System	Crisp County Landfill	Self-Insurance Health Benefit Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 1,196,275	$ 721,005	$ 540,306	$ 2,457,586
Investments	-	133,122	-	133,122
Accounts receivable, net of allowances	42,282	78,195	159,706	280,183
Due from other funds	-	289,950	-	289,950
Due from other governments	-	1,226	-	1,226
Prepaid expenses	5,522	13,563	-	19,085
Restricted assets, cash	153,232	-	-	153,232
Total current assets	1,397,311	1,237,061	700,012	3,334,384
NONCURRENT ASSETS				
Other assets	-	9,113	-	9,113
Capital assets:				
Nondepreciable	-	880,658	-	880,658
Depreciable, net of accumulated depreciation	3,728,316	5,814,916	-	9,543,232
Total noncurrent assets	3,728,316	6,704,687	-	10,433,003
Total assets	5,125,627	7,941,748	700,012	13,767,387
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	76,900	85,085	-	161,985
Claims payable	-	-	133,290	133,290
Accrued liabilities	1,831	20,565	-	22,396
Due to other funds	455	-	-	455
Due to other governments	90	15,338	-	15,428
Notes payable, current portion	-	368,988	-	368,988
Compensated absences, current portion	1,079	6,408	-	7,487
Payable from restricted assets:				
Customer deposits	57,505	4,700	-	62,205
Revenue bonds payable, current portion	36,821	-	-	36,821
Total current liabilities	174,681	501,084	133,290	809,055
NONCURRENT LIABILITIES				
Notes payable, net of current portion	-	4,730,199	-	4,730,199
Revenue bonds payable, net of current portion	1,556,786	-	-	1,556,786
Compensated absences, net of current portion	883	7,191	-	8,074
Closure and postclosure care costs	-	1,874,168	-	1,874,168
Total long-term liabilities	1,557,669	6,611,558	-	8,169,227
Total liabilities	1,732,350	7,112,642	133,290	8,978,282
NET ASSETS				
Invested in capital assets, net of related debt	2,134,709	1,596,387	-	3,731,096
Restricted for debt service	58,906	-	-	58,906
Unrestricted (deficit)	1,199,662	(767,281)	566,722	999,103
Total net assets	$ 3,393,277	$ 829,106	$ 566,722	$ 4,789,105

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

MAULDIN & JENKINS

CRISP COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Crisp County Water System	Crisp County Landfill	Self-Insurance Health Benefit Fund	Totals
OPERATING REVENUES				
Charges for services	$ 484,645	$ 1,263,741	$ 2,257,211	$ 4,005,597
Other revenue	-	-	501,526	501,526
Total operating revenues	484,645	1,263,741	2,758,737	4,507,123
OPERATING EXPENSES				
Personal services	116,168	305,042	-	421,210
Cost of sales and services	86,787	471,832	2,367,725	2,926,344
Supplies	56,000	112,267	-	168,267
Administration	20,000	90,000	462,870	572,870
Depreciation and amortization	177,675	411,162	-	588,837
Total operating expenses	456,630	1,390,303	2,830,595	4,677,528
Operating income (loss)	28,015	(126,562)	(71,858)	(170,405)
NONOPERATING INCOME (EXPENSES)				
Interest income	3,878	4,388	13,451	21,717
Interest expense	(52,417)	(165,644)	-	(218,061)
Total nonoperating income (expenses)	(48,539)	(161,256)	13,451	(196,344)
Loss before transfers	(20,524)	(287,818)	(58,407)	(366,749)
TRANSFERS IN	-	275,000	-	275,000
Change in net assets	(20,524)	(12,818)	(58,407)	(91,749)
NET ASSETS, beginning of year	3,413,801	841,924	625,129	4,880,854
NET ASSETS, end of year	$ 3,393,277	$ 829,106	$ 566,722	$ 4,789,105

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, 2012

	Crisp County Water System	Crisp County Landfill	Self-Insurance Health Benefit Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund users	$ -	$ -	$ 1,478,340	$ 1,478,340
Receipts from other customers	491,968	956,941	1,174,188	2,623,097
Payments to suppliers	(90,776)	(1,001,542)	(2,821,526)	(3,913,844)
Payments to employees	(115,278)	(307,630)	-	(422,908)
Net cash provided by (used in) operating activities	285,914	(352,231)	(168,998)	(235,315)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	275,000	-	275,000
Net cash provided by noncapital financing activities	-	275,000	-	275,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(184,535)	-	(184,535)
Proceeds from notes payable	-	324,286	-	324,286
Principal paid on bonds	(35,645)	-	-	(35,645)
Principal paid on notes payable	-	(288,772)	-	(288,772)
Interest paid	(52,423)	(205,780)	-	(258,203)
Net cash used in capital and related financing activities	(88,068)	(354,801)	-	(442,869)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	(160)	-	(160)
Sale of investments	100,542	-	-	100,542
Interest received	3,878	4,388	13,451	21,717
Net cash provided by investing activities	104,420	4,228	13,451	122,099
Increase (decrease) in cash and cash equivalents	302,266	(427,804)	(155,547)	(281,085)
Cash and cash equivalents:				
Beginning of year	1,047,241	1,148,809	695,853	2,891,903
End of year	$ 1,349,507	$ 721,005	$ 540,306	$ 2,610,818
Classified as:				
Cash and cash equivalents	$ 1,196,275	$ 721,005	$ 540,306	$ 2,457,586
Restricted assets, cash	153,232	-	-	153,232
	$ 1,349,507	$ 721,005	$ 540,306	$ 2,610,818
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ 28,015	$ (126,562)	$ (71,858)	$ (170,405)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	177,675	411,162	-	588,837
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	12,960	(16,850)	(106,209)	(110,099)
Decrease in due from other governments	-	3,881	-	3,881
(Increase) decrease in prepaid expenses	(28)	1,528	-	1,500
Increase (decrease) in accounts payable	72,129	(351,276)		(279,147)
Increase in claims payable	-	-	9,069	9,069
Increase in accrued liabilities	377	229	-	606
Increase in customer deposits	1,695	-	-	1,695
Decrease in due to other funds	(7,332)	(11,570)	-	(18,902)
Decrease in due from other governments	(90)	-		(90)
Increase (decrease) in compensated absences	513	(2,588)	-	(2,075)
Increase in closure and postclosure costs	-	29,765	-	29,765
Net cash provided by (used in) operating activities	$ 285,914	$ (352,231)	$ (168,998)	$ (235,315)

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

MAULDIN & JENKINS

CRISP COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2012

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 552,438
Accounts receivable	8,706
Taxes receivable	1,050,076
Total assets	$ 1,611,220
LIABILITIES	
Due to others	$ 561,144
Uncollected taxes	1,050,076
Total liabilities	$ 1,611,220

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 and the County has the ability to impose its will over the organization. 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 ***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.

The ***2011 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, committed, or assigned for expenditures of 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 principal 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 the Treasurer. 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. Inventory and Prepaid Items

Inventory in the governmental funds is valued and the lower of cost or market. The County accounts for inventory on the purchase basis. 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 $278,602. Of this amount, $40,113 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, machinery and equipment	5-15
System improvements	35
Plant and buildings	20-50
Infrastructure	20
Land improvements	2-50
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 2011:

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity (Continued)

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

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 $781,282 difference are as follows:

Accrued interest payable	$	(17,308)
Capital leases		(50,737)
Notes payable		(306,800)
Compensated absences		(409,477)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	(784,322)

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 $1,035,445 difference are as follows:

Capital outlay	$	2,355,499
Depreciation expense		(3,390,944)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(1,035,445)

Another element of that reconciliation explains that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the payments made on notes payable and capital leases". The details of this $194,682 difference are as follows:

Principal payments on note payable	$	146,176
Principal payments on capital lease		48,506
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	194,682

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 $24,515 difference are as follows:

Compensated absences	$	(57,780)
Net pension asset		40,944
Accrued interest		(7,679)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(24,515)

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, 2012, the following departments had excesses of actual expenditures over appropriations, which were funded by available fund balance of the General Fund:

	Excess
Legislative	$ 15
Financial administration	44
Tax commissioner	3
Judicial administration	12
Clerk of superior court	62
District attorney	29
Magistrate court	45
Probate court	6
Grand jury	17
Public defender	10
Sheriff	14,216
Jail operations	13
Fire	66
EMS	58
Coroner	1
Other protection	30
Public works administration	33
Public education	3
Planning and zoning	14
Economic development and assistance	82

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.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2012, the County had the following investments:

Investments	Maturities	Fair Value
Primary government:		
Georgia Fund 1	48 day weighted average	$ 3,252,356
Certificates of deposit	1 year weighted average	438,306
		$ 3,690,662

As of June 30, 2012, the County's investment in Georgia Fund 1 was rated AAAm by Standard & Poor's.

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

Custodial credit risk – deposits. 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, 2012, none of the County deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

Interest rate risk – Component Units. Crisp Regional Health Services, Inc., Crisp County Board of Health, and Crisp County Power Commission do 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 – Component Units. 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 June 30, 2012, the Crisp County Board of Health's did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements. As of December 31, 2011, the Crisp County Power Commission's did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

NOTE 5. RECEIVABLES

Receivables at June 30, 2012, for the County's individual major funds and nonmajor funds in the aggregate, are as follows:

	General	SPLOST 2011	Crisp County Water System	Crisp County Landfill
Receivables:				
Taxes	$ 744,306	$ 367,405	$ -	$ -
Accounts	31,505	-	42,282	89,020
Notes	-	-	-	-
	775,811	367,405	42,282	89,020
Less allowance for uncollectibles	(41,480)	-	-	(10,825)
Total receivables	$ 734,331	$ 367,405	$ 42,282	$ 78,195

	Self-Insurance Health Benefit	Other Governmental Funds	Total
Receivables:			
Taxes	$ -	$ -	$ 1,111,711
Accounts	159,706	40,298	362,811
Notes	-	2,369,064	2,369,064
	159,706	2,409,362	3,843,586
Less allowance for uncollectibles	-	(1,420,233)	(1,472,538)
Total receivables	$ 159,706	$ 989,129	$ 2,371,048

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 2012 is as follows:

Levy date	August 25, 2011
Payment due date	December 20, 2011
Delinquency date	December 21, 2011

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	$ -	$ (582)	$ -	$ 2,361,658
Construction in progress	87,506	1,763,735	-	-	1,851,241
Total	2,449,746	1,763,735	(582)	-	4,212,899
Capital assets, being depreciated:					
Land improvements	6,975,309	95,974	-	-	7,071,283
Infrastructure	67,861,905	-	-	-	67,861,905
Plant and buildings	22,599,541	-	-	-	22,599,541
Furniture, machinery, and equipment	15,293,670	495,790	(244,412)	-	15,545,048
Total	112,730,425	591,764	(244,412)	-	113,077,777
Less accumulated depreciation for:					
Land improvements	(2,501,771)	(292,857)	-	-	(2,794,628)
Infrastructure	(50,195,180)	(1,753,205)	-	-	(51,948,385)
Plant and buildings	(4,817,192)	(538,464)	-	-	(5,355,656)
Furniture, machinery, and equipment	(11,676,476)	(806,418)	216,706	-	(12,266,188)
Total	(69,190,619)	(3,390,944)	216,706	-	(72,364,857)
Total capital assets, being depreciated, net	43,539,806	(2,799,180)	(27,706)	-	40,712,920
Governmental activities capital assets, net	$ 45,989,552	$ (1,035,445)	$ (28,288)	$ -	$ 44,925,819
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 765,223	$ -	$ -	$ -	$ 765,223
Construction in progress	3,412,978	224,647	-	(3,522,190)	115,435
Total capital assets, not being depreciated	4,178,201	224,647	-	(3,522,190)	880,658
Capital assets, being depreciated:					
Plant and buildings	12,811,638	-	-	3,522,190	16,333,828
Furniture, machinery, and equipment	3,175,013	-	-	-	3,175,013
System improvements	213,954	-	-	-	213,954
Total	16,200,605	-	-	3,522,190	19,722,795
Less accumulated depreciation for:					
Plant and buildings	(6,711,676)	(432,043)	-	-	(7,143,719)
Furniture, machinery, and equipment	(2,675,171)	(153,667)	-	-	(2,828,838)
System improvements	(206,068)	(938)	-	-	(207,006)
Total	(9,592,915)	(586,648)	-	-	(10,179,563)
Total capital assets, being depreciated, net	6,607,690	(586,648)	-	3,522,190	9,543,232
Business-type activities capital assets, net	$ 10,785,891	$ (362,001)	$ -	$ -	$ 10,423,890

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:		
General government	$	316,216
Judicial		6,822
Public safety		704,941
Public works		1,936,098
Health and welfare		41,826
Parks and recreation		256,278
Housing and development		128,763
Total depreciation expense - governmental activities	$	3,390,944
Business-type activities		
Water system	$	177,675
Landfill		408,973
Total depreciation expense - business-type activities	$	586,648

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission

	Balance January 1, 2011	Additions	Deletions	Transfers	Balance December 31, 2011
Capital assets, not being depreciated:					
Land and land rights	$ 572,295	$ -	$ -	$ -	$ 572,295
Construction in progress	3,351	1,847,874	-	(1,761,128)	90,097
Total capital assets, not being depreciated	575,646	1,847,874	-	(1,761,128)	662,392
Capital assets, being depreciated:					
Intangible plant	1,867,232	-	-	-	1,867,232
Steam and gas plant	6,119,421	-	-	-	6,119,421
Hydraulic plant	7,430,483	-	-	9,303	7,439,786
Transmission plant	2,422,664	-	-	420	2,423,084
Distribution plant	43,214,917	-	(73,405)	1,510,969	44,652,481
General plant	8,026,456	-	(4,100)	240,436	8,262,792
Total capital assets, being depreciated	69,081,173	-	(77,505)	1,761,128	70,764,796
Less accumulated depreciation for:					
Intangible plant	(192,456)	(61,045)	-	-	(253,501)
Steam and gas plant	(6,116,594)	(6,552)	-	8,565	(6,114,581)
Hydraulic plant	(6,590,914)	(179,344)	-	(8,565)	(6,778,823)
Transmission plant	(2,382,791)	(1,269)	-	-	(2,384,060)
Distribution plant	(29,492,067)	(1,810,558)	73,405	-	(31,229,220)
General plant	(5,428,347)	(306,203)	4,100	-	(5,730,450)
Total accumulated depreciation	(50,203,169)	(2,364,971)	77,505	-	(52,490,635)
Total capital assets, being depreciated, net	18,878,004	(2,364,971)	-	1,761,128	18,274,161
Total capital assets	$ 19,453,650	$ (517,097)	$ -	$ -	$ 18,936,553

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	$ 1,938,000	$ -	$ -	$ 1,938,000
Construction in progress	14,000	139,000	(14,000)	139,000
Total	1,952,000	139,000	(14,000)	2,077,000
Capital assets, being depreciated:				
Building and improvements	35,821,000	77,000	(16,000)	35,882,000
Fixed equipment	11,459,000	286,000	(56,000)	11,689,000
Movable equipment	20,604,000	2,181,000	(488,000)	22,297,000
Total	67,884,000	2,544,000	(560,000)	69,868,000
Less accumulated depreciation for:				
Building and improvements	(16,149,000)	(1,076,000)	1,000	(17,224,000)
Fixed equipment	(8,942,000)	(597,000)	48,000	(9,491,000)
Movable equipment	(15,364,000)	(1,595,000)	185,000	(16,774,000)
Total	(40,455,000)	(3,268,000)	234,000	(43,489,000)
Total capital assets, being depreciated, net	27,429,000	(724,000)	(326,000)	26,379,000
Total capital assets, net	$ 29,381,000	$ (585,000)	$ (340,000)	$ 28,456,000

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, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	$ 452,976	$ -	$ 146,176	$ 306,800	$ 151,306
Capital leases payable	99,243	-	48,506	50,737	50,737
Compensated absences	351,697	296,181	238,401	409,477	123,529
Governmental activities long-term liabilities	$ 903,916	$ 296,181	$ 433,083	$ 767,014	$ 325,572
Business-type activities:					
Notes payable	$ 5,063,673	$ 324,286	$ 288,772	$ 5,099,187	$ 368,988
Revenue bonds payable	1,629,252	-	35,645	1,593,607	36,821
Compensated absences	17,636	12,444	14,519	15,561	7,487
Closure and postclosure care	1,844,403	29,765	-	1,874,168	-
Business-type activities long-term liabilities	$ 8,554,964	$ 366,495	$ 338,936	$ 8,582,523	$ 413,296
Component unit - Crisp Regional Health Services, Inc.					
Notes payable	$ 409,000	$ -	$ 230,000	$ 179,000	$ 179,000
Revenue bonds payable	17,975,000	-	1,220,000	16,755,000	1,285,000
Crisp Regional Health Services, Inc. long-term liabilities	$ 18,384,000	$ -	$ 1,450,000	$ 16,934,000	$ 1,464,000
Component unit - Crisp County Board of Health:					
Compensated absences	$ 53,462	$ 18,881	$ 42,633	$ 29,710	$ 7,695
Crisp County Board of Health long-term liabilities	$ 53,462	$ 18,881	$ 42,633	$ 29,710	$ 7,695

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

Governmental Activities Debt

Notes Payable. The County has incurred debt to a local financial institution for equipment purchases. This note is as follows at June 30, 2012:

Purpose	Original Amount	Interest Rate	Due Date	Balance at June 30, 2012
Motorolla Project	$ 594,222	3.50%	2014	$ 306,800
			Less current maturities	(151,306)
				$ 155,494

Notes payable debt service requirements to maturity are as follows as of June 30, 2012:

Fiscal Year Payable	Total	Principal	Interest
2013	$ 162,044	$ 151,306	$ 10,738
2014	160,936	155,494	5,442
	$ 322,980	$ 306,800	$ 16,180

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, 2012, 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,	
2013	$ 53,067
Total minimum lease payments	53,067
Less amount representing interest	(2,330)
Present value of minimum lease payments	$ 50,737

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business Activities Debt

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, 2012:

Purpose	Original Amount	Interest Rate	Due Date	Balance at June 30, 2012
Landfill improvements	$ 1,508,343	2.00%	2020	$ 717,669
Landfill improvements	1,289,280	2.00%	2021	687,693
Landfill improvements	1,417,970	3.98%	2025	996,130
Landfill improvements	2,766,304	3.89%	2027	2,697,695
				5,099,187
			Less current maturities	(368,988)
				$ 4,730,199

Notes payable debt service requirements to maturity are as follows as of June 30, 2012:

Fiscal Year Payable	Total	Principal	Interest
2013	$ 535,288	$ 368,988	$ 166,300
2014	535,289	380,477	154,812
2015	535,289	392,358	142,931
2016	535,289	402,796	132,493
2017	535,289	415,470	119,819
2018 - 2022	2,382,512	1,913,663	468,849
2023 - 2027	1,328,689	1,225,436	103,253
	$ 6,387,645	$ 5,099,188	$ 1,288,457

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business Activities Debt (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
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	88,068	41,925	46,143
2018 - 2022	440,340	231,309	209,031
2023 - 2027	440,340	272,063	168,277
2028 - 2032	440,340	319,997	120,343
2033 - 2037	440,340	376,378	63,962
2038 - 2040	205,022	197,201	7,821
	$ 2,406,722	$ 1,593,607	$ 813,115

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
2013	$ 182,000	$ 179,000	$ 3,000
	$ 182,000	$ 179,000	$ 3,000

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
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	1,177,000	760,000	417,000
2018 - 2022	5,902,000	4,240,000	1,662,000
2023 - 2027	5,950,000	5,150,000	800,000
2028 - 2031	863,000	830,000	33,000
	$ 22,080,000	$ 16,755,000	$ 5,325,000

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2012 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Water System Fund	$ 455
General Fund	2011 Sales Tax Fund	100,000
General Fund	Nonmajor Governmental Funds	184,855
Nonmajor Governmental Funds	General Fund	27,410
Landfill Fund	General Fund	289,950
		$ 602,670

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
Landfill Fund	$ 275,000	$ 275,000
Nonmajor Governmental Funds	346,911	346,911
Total	$ 621,911	$ 621,911

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, 2012. 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 30 years.

A summary of the liability recorded at June 30, 2012 for closure and postclosure care costs is as follows:

	Vertical Landfill	Subtitle D Landfill	Total
Estimated closure costs	$ -	$ 3,484,280	$ 3,484,280
Estimated postclosure care costs	736,274	2,654,463	3,390,737
	736,274	6,138,743	$ 6,875,017
Percentage of capacity filled, June 30, 2012	100%	18.54%	
Closure and postclosure care cost liability	$ 736,274	$ 1,137,894	$ 1,874,168

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:

	2012	2011
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 778,436	$ 741,914
Interest on Net Pension Obligation	(28,101)	(24,928)
Amortization of Net Pension Obligation	30,068	26,672
Annual Pension Cost	$ 780,403	$ 743,658

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. Primary Government (Continued)

Derivation of Net Pension Obligation

Annual Pension Cost for Fiscal Year 2011	$ 743,658
Actual Contributions to Plan for Fiscal Year 2011	784,602
Increase (Decrease) in Net Pension Obligation	(40,944)
Net Pension Obligation (Asset) as of June 30, 2011	(321,651)
Net Pension Obligation (Asset) as of June 30, 2012	$ (362,595)

Basis of Valuation

Current Valuation Date	January 1, 2012
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)
1/1/2010	$ 738,659	$ 799,030	108 %	$ (261,280)
1/1/2011	743,658	784,602	106	(321,651)
1/1/2012	780,403	N/A	N/A	(362,595)

As of the most recent valuation date, December 31, 2011, the funded status of the Plan was as follows:

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
12/31/2011	$ 9,405,747	$ 12,041,074	$ 2,635,327	78.1%	$ 5,558,819	47.4%

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. Primary Government (Continued)

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, 2011.

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.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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:

	2012	2011
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

Derivation of Net Pension Obligation	
Annual Pension Cost for Fiscal Year 2011	$ 446,747
Actual Contributions to Plan for Fiscal Year 2011	492,804
Decrease in Net Pension Obligation	(46,057)
Net Pension Obligation (Asset) as of December 31, 2010	(274,397)
Net Pension Obligation (Asset) as of December 31, 2011	$ (320,454)

Basis of Valuation	
Current Valuation Date	January 1, 2011
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	3.5% - 6.0% based on age
Expected Annual Inflation	3.0%
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	(274,397)
1/1/2011	446,747	492,804	110	(320,454)

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Fiscal Year Ended	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, 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
December 31, 2011	7,779,907	9,543,943	1,764,036	81.5	2,601,392	67.8

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, 2012 were $30,700 based on qualifying salaries of $282,353. Ten year historical trend information and relevant actuarial information may be obtained from the Employees' Retirement System of Georgia.

NOTE 11. RISK MANAGEMENT

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

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

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

Settled claims in the past three years have not exceeded the coverages.

The County, Crisp County Power Commission, the Solid Waste Management Authority of Crisp County and the Southwest Georgia United Empowerment Zone maintain a self-insured medical benefit plan for their employees. The plan is accounted for as an enterprise fund of the County, is funded according to plan experience, and serves to reduce overall healthcare costs of the County, Power Commission, Solid Waste Management Authority of Crisp County, Southwest Georgia United Empowerment Zone and their employees. The County purchases specific and aggregate stop loss insurance coverage to protect itself in unusual circumstances. Claims payable at June 30, 2012 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:

	2012	2011
Unpaid claims, beginning of fiscal year	$ 124,221	$ 137,020
Incurred claims (including IBNRs)	2,367,725	2,258,748
Claim payments and changes in estimates	(2,358,656)	(2,271,547)
Unpaid claims, end of fiscal year	$ 133,290	$ 124,221

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES

A. Litigation

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

B. Grant Contingencies

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

C. Component Unit – Crisp County Power Commission

The 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, 2011, MEAG's bonds were outstanding in the approximate principal amount of $6.04 billion. The Commission's entitlement share of that amount totals approximately $285 million at December 31, 2011.

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.

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

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

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, 2012, the County paid $11,706 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.

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
12/31/2006	$ 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%
12/31/2011	9,405,747	12,041,074	2,635,327	78.1%	5,558,819	47.4%

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.

2000 Sales Tax Fund — 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.

CRISP COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Special Revenue Funds			
ASSETS	**Law Library Fund**	**Asset Forfeiture Fund**	**DARE Fund**	**Jail Fund**
Cash and cash equivalents	$ 114,292	$ 90,681	$ 22,534	$ 14,316
Investments	-	438,306	-	-
Accounts receivable	-	-	-	-
Notes receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	180	2,446
Prepaid items	-	-	-	22,949
Total assets	$ 114,292	$ 528,987	$ 22,714	$ 39,711
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ 24,562	$ -	$ 214
Accrued liabilities	-	-	-	-
Due to other funds	-	-	14,394	39,231
Total liabilities	-	24,562	14,394	39,445
FUND BALANCES				
Nonspendable:				
Long-term receivable	-	-	-	-
Prepaid items	-	-	-	22,949
Restricted for:				
Judicial	114,292	-	-	-
Public safety	-	504,425	8,320	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Assigned to:				
Capital outlay	-	-	-	-
Unassigned	-	-	-	(22,683)
Total fund balances	114,292	504,425	8,320	266
Total liabilities and fund balances	$ 114,292	$ 528,987	$ 22,714	$ 39,711

		Capital Projects Funds		
E911 Fund	CDBG Revolving Loan Fund	Northside Water Distribution Fund	2000 Sales Tax Fund	Totals
$ 132,952	$ 241,817	$ 1,693	$ 747,627	$ 1,365,912
-	-	-	529,891	968,197
40,298	-	-	-	40,298
-	948,831	-	-	948,831
-	27,410	-	-	27,410
18,659	-	6,618	120,820	148,723
49,104	-	-	-	72,053
$ 241,013	$ 1,218,058	$ 8,311	$ 1,398,338	$ 3,571,424
$ 12,203	$ 53	$ -	$ 104,445	$ 141,477
20,935	-	-	-	20,935
127,365	-	3,865	-	184,855
160,503	53	3,865	104,445	347,267
-	948,831	-	-	948,831
49,104	-	-	-	72,053
-	-	-	-	114,292
31,406	-	-	-	544,151
-	269,174	-	-	269,174
-	-	-	1,293,893	1,293,893
-	-	4,446	-	4,446
-	-	-	-	(22,683)
80,510	1,218,005	4,446	1,293,893	3,224,157
$ 241,013	$ 1,218,058	$ 8,311	$ 1,398,338	$ 3,571,424

CRISP COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Special Revenue Funds			
	Law Library Fund	Asset Forfeiture Fund	DARE Fund	Jail Fund
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Fines and forfeitures	61,052	82,156	25,609	170,044
Interest revenue	-	8,548	-	-
Other revenues	-	-	-	-
Total revenues	61,052	90,704	25,609	170,044
Expenditures:				
Current:				
Judicial	42,833	-	-	-
Public safety	-	182,612	26,711	201,111
Public works	-	-	-	-
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	42,833	182,612	26,711	201,111
Excess (deficiency) of revenues over (under) expenditures	18,219	(91,908)	(1,102)	(31,067)
Other financing sources:				
Proceeds from the sale of capital assets	-	34,220	-	-
Transfers in	-	-	-	32,755
Total other financing sources	-	34,220	-	32,755
Net change in fund balances	18,219	(57,688)	(1,102)	1,688
Fund balances (deficit), beginning of year	96,073	562,113	9,422	(1,422)
Fund balances, end of year	$ 114,292	$ 504,425	$ 8,320	$ 266

		Capital Projects Funds		
E911 Fund	CDBG Revolving Loan Fund	Northside Water Distribution Fund	2000 Sales Tax Fund	Totals
$ -	$ -	$ 35,112	$ 578,939	$ 614,051
456,730	-	-	-	456,730
-	-	-	-	338,861
32	21,721	-	1,544	31,845
558	-	-	100	658
457,320	21,721	35,112	580,583	1,442,145
-	-	-	-	42,833
744,088	-	-	-	1,154,522
-	-	30,680	-	30,680
-	78,673	-	-	78,673
-	-	-	683,673	683,673
-	-	-	48,508	48,508
-	-	-	4,559	4,559
744,088	78,673	30,680	736,740	2,043,448
(286,768)	(56,952)	4,432	(156,157)	(601,303)
-	-	-	-	34,220
286,746	27,410	-	-	346,911
286,746	27,410	-	-	381,131
(22)	(29,542)	4,432	(156,157)	(220,172)
80,532	1,247,547	14	1,450,050	3,444,329
$ 80,510	$ 1,218,005	$ 4,446	$ 1,293,893	$ 3,224,157

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
2000 REFERENDUM				
Airport	$ 375,000	$ 333,701	$ 16,134	$ 349,835
County Buildings	1,517,655	1,476,211	-	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	3,019,857	-	3,019,857
Public Works/Sanitation	1,685,008	1,797,910	2,600	1,800,510
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	2,518,789	86,000	2,604,789
Totals	$ 16,000,000	$ 16,150,485	$ 104,734	$ 16,255,219

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 $570,406 and County Road Projects of $8,533. Additionally, principal and interest payments of $53,067 are not included in the above schedule due to the total cost of equipment leased being recognized in the year purchased.

2005 REFERENDUM				
Judicial Center Project	$ 6,000,000	$ 9,634,489	$ -	$ 9,634,489
Recreational Department Project	1,000,000	674,431	10,089	684,520
Airport Project	270,000	7,646	-	7,646
Sheriff Department Project	920,000	928,650	162,044	1,090,694
County Buildings Project	835,000	463,766	6,450	470,216
EMS Project	340,000	53,465	73,080	126,545
Emergency Management Project	200,000	463,000	-	536,080
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	3,049,969	-	3,049,969
Library Project	300,000	-	-	-
Emergency Signals Project	100,000	-	-	-
City of Arabi Projects	280,000	208,811	-	208,811
Fire Department Project	85,000	11,339	12,157	23,496
Animal Control Project	125,000	34,856	-	34,856
County Roads Project	3,400,000	-	-	-
Totals	$ 20,000,000	$ 17,340,744	$ 263,820	$ 17,677,644

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 EMS of $72,254.

(Continued)

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
2011 REFERENDUM				
Airport Project	90,000	$ -	$ -	$ -
County Buildings Project	380,000	-	-	-
Detention Center Project	2,100,000	-	1,163,093	1,163,093
E911 Project	572,300	-	-	-
Health Department Project	90,000	-	-	-
Industrial Development Authority Project	9,000,000	-	204,182	204,182
Public Safety Project	456,029	-	-	-
EMS Project	711,000	-	-	-
Fire Department Project	1,152,683	-	-	-
Recreation Project	2,275,210	-	19,947	19,947
County Roads Project	1,000,000	-	-	-
Public Works Project	1,011,500	-	-	-
Sheriff's Department Project	697,000	-	19,100	19,100
Sanitary Solid Waste Project	607,000	-	-	-
City of Cordele Project	4,025,000	-	258,252	258,252
City of Arabi Project	290,000	-	1,676	1,676
Water/Storm Water Project	247,000	-	-	-
Contingency Project	570,278	-	-	-
Totals	$ 25,275,000	$ -	$ 1,666,250	$ 1,666,250

Note: The difference between the above schedule and the Intergovernmental Payments in the Statement of Revenues, Expenditures and Changes in Fund Balances is due to reimbursement for cost incurred related to the City of Arabi of $16,924.

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, 2012

ASSETS	Clerk of Superior Court	Probate Court	Sheriff's Office
Cash and cash equivalents	$ 41,870	$ 254,267	$ 232,408
Accounts receivable	-	8,706	-
Taxes receivable	-	-	-
Total assets	$ 41,870	$ 262,973	$ 232,408
LIABILITIES			
Due to others	$ 41,870	$ 262,973	$ 232,408
Uncollected taxes	-	-	-
Total liabilities	$ 41,870	$ 262,973	$ 232,408

Jail Inmate	Tax Commissioner	Magistrate Court	Total
$ 4,195	$ 2,342	$ 17,356	$ 552,438
-	-	-	8,706
-	1,050,076	-	1,050,076
$ 4,195	$ 1,052,418	$ 17,356	$ 1,611,220
$ 4,195	$ 2,342	$ 17,356	$ 561,144
-	1,050,076	-	1,050,076
$ 4,195	$ 1,052,418	$ 17,356	$ 1,611,220

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, 2012, which collectively comprise Crisp County Georgia's basic financial statements and have issued our report thereon dated December 27, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of 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 previously. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2012-1 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, 2012.

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, 2012

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, 2012. 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, 2012.

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, 2012

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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	2011-AP-BX-0318	$ 872
Crime Vicitms Assistance Program	16.575	C10-8-055	18,756
Byrne Memorial Justice Assistance - ARRA	16.803	B82-8-097	8,130
Byrne Memorial Justice Assistance - ARRA	16.803	2011-DJ-BX-3221	13,423
Byrne Memorial Justice Assistance - ARRA	16.803	B11-8-005	120,000
Byrne Memorial Justice Assistance - ARRA	16.803	B82-8-101	7,360
Byrne Memorial Justice Assistance - ARRA	16.803	B82-8-099	17,442
Byrne Memorial Justice Assistance - ARRA	16.738	C09-8-198	69,278
Total JAG Program Cluster			235,633
Victims Witness Assistance Program - ARRA	16.588	W82-8-076	6,057
Victims Witness Assistance Program	16.588	W11-8-013	31,472
Victims Witness Assistance Program	16.588	W10-8-050	35,199
			72,728
Bulletproof Vest Partnership Program	16.607	BVG	3,802
Passed through Juvenile Court Judges of Georgia			
Juvenile Accountability Incentive Block Grant	16.523	JB-08ST-0002	1,200
Juvenile Accountability Incentive Block Grant	16.523	JB-09ST-0004	4,103
			5,303
Total U.S. Department Justice			337,094
U.S. Department of Transportation			
Passed through Georgia Department of Transportation			
Section 5311 Operating Assistance	20.509	T003860	162,829
Highway Safety Cluster	20.600	GA2012-000-00362	33,341
Airport Improvement Grant	20.106	AP012-9016-25(081)	82,476
Airport Improvement Grant	20.106	AP011-9016-24(081)	465,933
			548,409
Total U.S. Department of Transportation			744,579

(Continued)

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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	49,340
Local EMA Partnership Performance	97.042	OEM11-042501	8,727
Homeland Security Grant Program	97.067	2010-SS-T0-0034	48,144
Homeland Security Grant Program	97.067	2009-SS-T9-0047	24,941
			73,085
Total U.S. Department of Homeland Security			131,152
U.S. Department of Housing & Urban Development			
Passed through Georgia Department of Community Affairs			
CDBG - State Administered CDBG Cluster	14.228	10P-Y-040-1-5274	35,111
Total U.S. Department of Housing & Urban Development			35,111
Total Expenditures of Federal Awards			$ 1,247,936

CRISP COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1. BASIS OF PRESENTATION

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

CRISP COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

SECTION I
SUMMARY OF AUDITOR'S 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
20.106	Airport Improvement Program
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

SECTION II
FINANCIAL STATEMENTS FINDINGS AND RESPONSES

2012-1. Segregation of Duties

Criteria: Internal controls should be in place that provides 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, 2012, 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 FISCAL YEAR ENDED JUNE 30, 2012

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CRISP COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

2011-1. 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 ended June 30, 2011, 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 2012-1.