Financial Statements

HARALSON COUNTY, GEORGIA

For the Year Ended June 30, 2011

HARALSON COUNTY, GEORGIA
FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

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HARALSON COUNTY, GEORGIA
FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

PRINCIPAL COUNTY OFFICIALS

Board of Commissioners	
H. Allen Poole	Chairman/CEO
Eric Robinson	Vice Chairman/District #1
John Dobbs	District #2
Vance Posey	District #3
Sammy Robinson	District #4
Other Elected Officials	
Barbara Ridley	Tax Commissioner
Vivian Holcombe	Treasurer
Hoyt Edward Mixon, Jr.	Sheriff
Becky Robinson	Clerk of Superior Court
J. Edward Hulsey, Jr.	Probate Judge
Mark Murphy	Juvenile Judge
Brandon Heath	Magistrate Judge
Richard Sutton	Judge, Superior Court of Haralson County
Michael Murphy	Judge, Superior Court of Haralson County
Bobby Brooks	District Attorney
Danny Hutcheson	Coroner
Greg Dewberry	County Surveyor
Appointed Officials	
Alison Palmer	Clerk
Sandra Tant	Tax Assessor

Member American Institute of CPA's Member Georgia Society of CPA's

ROBINSON, ROWLAND & CO., P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Haralson County, Georgia

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Haralson County, Georgia as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Haralson County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Haralson County Health Department, a discretely presented component unit of the County, which represents less than 1 percent, less than 1 percent, and 1 percent, respectively, of the assets, net assets, and revenues of Haralson County, Georgia. Those financial statements as of June 30, 2011, were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Haralson County Health Department, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 report of the other auditor provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haralson County, Georgia as of June 30, 2011, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2011, on our consideration of Haralson 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

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compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and 42 through 74 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 Haralson County, Georgia's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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, based on our audit and the report of the other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Robinson, Rowland & Co., P.C.

Carrollton, GA
December 23, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Haralson County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the County's financial statements, which begin on page 10.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Under this reporting model, the County is required to distinguish between governmental activities that are principally supported by taxes and user charges and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, health and welfare, and culture and recreation. The County does not have any business-type activities to report. The County's fiduciary activities simply hold

resources temporarily for others and are not included in the government-wide statements since these assets are not available to fund County programs.

The County's financial reporting includes the funds of the County (primary government) and additionally, organizations for which the County is accountable (component units). These component units operate independently or provide services directly to the citizens, though the County remains accountable for their activities. The County's component units are the Haralson County Development Authority and the Haralson County Health Department. These organizations are reported separately from the primary government though included in the County's overall reporting entity.

The government-wide financial statements are presented on pages 10 and 11 of this report.

Fund Financial Statements

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

The County has two kinds of funds:

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

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

The basic governmental fund financial statements are presented on pages 12 and 14 of this report.

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

The basic fiduciary fund financial statement is presented on page 16 of this report.

The County does not have any proprietary funds. Proprietary funds are used to account for business-like activities which are financed primarily by user fees and charges.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are on pages 17 to 40 of this report.

Financial Analysis of the County as a Whole

The County's net assets at fiscal year-end were $20,566,543. This is a $1,096,649 decrease from last year's net assets of $21,664,192. The following table provides a summary of the County's net assets for the current and prior year:

	2011	2010 As Restated
Assets:		
Cash	$ 4,297,642	$ 5,348,189
Other current assets	2,034,047	2,554,146
Capital assets	15,882,442	16,431,006
Total assets	22,214,131	24,333,341
Liabilities:		
Current liabilities	1,581,749	2,658,915
Long-term liabilities	75,839	10,234
Total liabilities	1,657,588	2,669,149
Net assets:		
Invested in capital assets, net of related debt	15,729,588	16,146,775
Restricted	3,576,461	3,553,382
Unrestricted	1,250,494	1,964,035
Total net assets	$ 20,556,543	$ 21,664,192

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The following table provides a summary of changes in net assets for the current and prior year:

	2011	2010 As Restated
Revenues		
Programs:		
Charges for services and fines	$ 2,120,372	$ 1,861,418
Operating grants	342,538	276,107
Capital grants	-	-
General:		0
Property taxes	8,167,437	8,158,961
Special purpose local option sales tax	1,853,425	3,059,638
Local option sales tax	3,747,024	1,863,513
Insurance premium tax	807,400	830,170
Other	567,507	574,128
Transfers from component unit	-	-
Total revenues	17,605,703	16,623,935
Expenses		
General government	2,301,056	2,108,032
Judicial	1,657,788	1,664,101
Public safety	7,267,192	6,641,048
Public works	2,412,723	1,967,650
Health and welfare	1,779,011	1,792,020
Recreation and culture	354,056	364,166
Intergovernmental	2,931,080	46,816
Interest	10,446	8,497
Transfer to component unit	-	-
Total expenses	18,713,352	14,592,330
Increase in net assets	(1,107,649)	2,031,605
Beginning net assets	21,664,192	19,632,587
Ending net assets	$ 20,556,543	$ 21,664,192

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Financial Analysis of the County's Funds

Governmental funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $4,826,955, an decrease of $690,462 in comparison with the prior year.

The major governmental funds of the County are the General Fund, SPLOST Fund, and the Drug Task Force Fund.

The General Fund is the government'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 fund balance of the general fund on June 30, 2011 was $1,530,147 compared to $1,531,265 on June 30, 2010.

The SPLOST Fund accounts for the financial resources provided from the one-percent special purpose local option sales tax. Such resources are to be used for water, public safety, roads, recreation and government building capital projects. The fund balance of the SPLOST Fund on June 30, 2011 was $2,561,667 compared to $3,193,401 on June 30, 2010.

The Drug Task Force Fund accounts for grants, income and expenditures related to the Drug Task Force. The fund balance of this fund was $133,092 on June 30, 2011 compared to $201,995 on June 30, 2010.

General Fund Budgetary Highlights

For the year ending June 30, 2011 the general fund budget was $12,005,772 for expenditures and transfers out. The actual expenditures and transfers out for the year were $12,172,483.

Capital Asset and Debt Administration

Capital assets

The County's investment in capital assets as of June 30, 2011 amounts to $15,882,442. This investment in capital assets includes land, buildings and improvement and machinery and equipment. It also includes infrastructure (roads) constructed over the past four years, as well as retroactive infrastructure constructed since 1980.

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The following is a summary of the County's capital asset activity for the year ended June 30, 2011:

	Balance at July 1, 2010	Additions	Disposals	Balance at June 30, 2011
Land - as restated	$ 878,603	$ -	$ -	$ 878,603
Construction in progress	519,776	41,075	492,694	68,157
Buildings - as restated	11,835,103	-	-	11,835,103
Machinery & equipment - as restated	12,763,147	530,644	-	13,293,791
Infrastructure	6,088,279	431,906	-	6,520,185
	32,084,908	1,003,625	492,694	32,595,839
Accumulated depreciation	15,653,902	1,059,495	-	16,713,397
Capital assets, net	$ 16,431,006	$ (55,870)	$ 492,694	$ 15,882,442

See Capital Assets note for additional information about the County's capital assets.

Long-term debt
The County's long-term debt relates to capital lease obligations.

The following is a summary of long-term debt activity for the year ended June 30, 2011:

Balance July 1, 2010	$ 284,231
Additions	218,304
Reductions	349,681
Balance June 30, 2011	$ 152,854

See note 3 for additional information about the County's long-term debt.

Next Year's Budget
The general fund budget for the year ending June 30, 2011 reflects revenues of $12,164,000 and expenditures and transfers of $12,164,000. This is an approximate 1% Increase from the budget for the year ended June 30, 2010.

HARALSON COUNTY, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2011

	Primary Government	Component Units	
	Governmental Activities	Haralson County Health Department	Development Authority of Haralson County
Assets:			
Cash and cash equivalents	$ 4,297,642	$ 136,262	$ 1,103,412
Receivables, net	1,024,793	-	53,421
Due from other governments and agencies	959,254	59,430	-
Inventories	50,000	548	-
Prepaid items	-	-	-
Capital Assets:			
Nondepreciable capital assets	946,760	-	162,605
Depreciable capital assets, net	14,935,682	-	2,481,220
Total assets	$ 22,214,131	$ 196,240	$ 3,800,658
Liabilities:			
Accounts payable	$ 72,544	$ 171	$ -
Accrued liabilities	772,855	-	4,287
Due to other governments	555,814	17,654	-
Due to others	103,521	-	-
Note payable - Current	-	-	-
Capital lease payable - Current	77,015	-	-
Long-Term Liabilities:			
Compensated absences payable	-	35,439	-
Note payable (net of current portion)	-	-	-
Capital lease payable (net of current portion)	75,839	-	-
Total liabilities	$ 1,657,588	$ 53,264	$ 4,287
Net Assets			
Invested in capital assets, net of related debt	$ 15,729,588	$ -	$ 2,643,825
Restricted for:			
Capital Projects	2,561,667	-	-
Other Purposes	1,014,794	-	-
Unrestricted	1,250,494	142,976	1,152,546
Total net assets	$ 20,556,543	$ 142,976	$ 3,796,371

The notes to the financial statements are an integral part of this statement

HARALSON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

		Program Revenues			Primary Government	Component Units	
	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Haralson County Health Department	Development Authority of Haralson County
Primary Government							
Governmental Activities:							
General government	$ 2,301,056	$ 344,442	$ -	$ -	$ (1,956,614)		
Public safety	7,238,317	854,155	-	-	(6,384,162)		
Judicial	1,657,788	691,475	106,895	-	(859,418)		
Public works	2,337,291	164,543	-	-	(2,172,748)		
Health and welfare	1,779,011	11,783	-	-	(1,767,228)		
Recreation and culture	354,056	53,974	-	-	(300,082)		
Intergovernmental	3,035,387	-	235,643	-	(2,799,744)		
Interest and fiscal charges	10,446	-	-	4,585	(5,861)		
Total governmental activities	18,713,352	2,120,372	342,538	4,585	(16,245,857)		
Component Units							
Haralson County Health Department	607,429	183,439	245,178	-		(178,812)	-
Development Authority of Haralson Co.	315,840	242,640	30,000	-		-	(43,200)
Total component units	$ 923,269	$ 426,079	$ 275,178	$ -		$ (178,812)	$ (43,200)
General revenues:							
Taxes:							
General property taxes					$ 8,167,437	$ -	$ -
Local option sales tax					1,853,425	-	-
Special purpose local option sales tax					3,747,024	-	-
Insurance premium tax					807,400	-	-
Other taxes					119,297	-	-
Interest					21,202	715	9,275
Miscellaneous					407,324	2,821	-
County Funding					-	135,446	96,604
Revenue from sale of materials					15,099	-	-
Transfers					-	-	-
Total general revenues and transfers					15,138,208	138,982	105,879
Change in net assets					(1,107,649)	(39,830)	62,679
Net assets - beginning, as restated					21,664,192	182,806	3,733,692
Net assets - ending					$ 20,556,543	$ 142,976	$ 3,796,371

The notes to the financial statements are an integral part of this statement

HARALSON COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2011

	General	SPLOST Fund	Drug Task Force Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 905,487	$ 2,718,327	$ 242,100	$ 431,728	$ 4,297,642
Receivables (net of allowance for uncollectibles):					-
Interest	-	-	-	-	-
Taxes - property	506,826	-	-	-	506,826
Accounts	34,109	-	916	482,942	517,967
Intergovernmental	359,955	599,299	-	-	959,254
Due from other funds	248,279	-	-	19,236	267,515
Inventory, at cost	50,000	-	-	-	50,000
Total assets	$ 2,104,656	$ 3,317,626	$ 243,016	$ 933,906	$ 6,599,204
Liabilities and Fund Balance					
Liabilities:					
Accounts and contracts payable	$ 72,544	$ -	$ -	$ -	$ 72,544
Other accrued liabilities	473,320	-	-	19,882	493,202
Due to other funds	19,236	201,173	14,784	32,322	267,515
Due to other governments	-	554,786	1,028	-	555,814
Due to others	9,409	-	94,112	-	103,521
Total liabilities	574,509	755,959	109,924	52,204	1,492,596
Fund balance					
Nonspendable:					
Reserved for inventory	50,000	-	-	-	50,000
Restricted for:					
Grant purposes	-	-	-	574,626	574,626
Judicial	-	-	-	111,014	111,014
Public saftety	-	-	133,092	195,122	328,214
Culture and recreation				940	940
Capital projects	-	2,402,684	-	-	2,402,684
Debt service	-	158,983	-	-	158,983
Committed for:	-	-	-	-	-
Assigned for:	-	-	-	-	-
Unassigned:	1,480,147	-	-	-	1,480,147
	-	-	-	-	-
Total fund balances	1,530,147	2,561,667	133,092	881,702	5,106,608
Total liabilities and fund balance	$ 2,104,656	$ 3,317,626	$ 243,016	$ 933,906	$ 6,599,204

The notes to the financial statements are an integral part of this statement

HARALSON COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
June 30, 2011

Total Governmental Fund Balances		**$ 5,106,608**
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of non-depreciable assets	**$ 946,760**	
Cost of depreciable assets	**31,649,079**	
Less accumulated depreciation	**(16,713,397)**	**15,882,442**
Accrued pension expense is not reported in the funds.		
Accrued pension liability		**(279,653)**
Prepaid items are not reported in the funds.		
Prepaid insurance		**-**
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Capital leases		
Current portion	**$ (77,015)**	
Long-term	**(75,839)**	**(152,854)**
Net Assets of Governmental Activities		**$ 20,556,543**

The notes to the financial statements are an integral part of this statement

HARALSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General	SPLOST Fund	Drug Task Force Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 11,271,204	$ 3,747,024	$ -	$ -	$ 15,018,228
Licenses and permits	226,855	-	-	-	226,855
Intergovernmental	221,604	-	235,643	-	457,247
Charges for services	213,024	-	-	483,755	696,779
Fines and forfeitures	755,449	-	153,040	76,750	985,239
Use of money and property	22,167	4,585	498	13,636	40,886
Miscellaneous revenues	12,062	-	-	168,407	180,469
Total revenues	12,722,365	3,751,609	389,181	742,548	17,605,703
Expenditures:					
Current:					
General government	2,169,425	20,481	-	-	2,189,906
Public safety	5,425,308	88,828	413,001	879,143	6,806,280
Judicial	1,431,085	2,164	-	189,120	1,622,369
Public works	1,315,101	666,792	-	-	1,981,893
Health and welfare	1,701,550	-	-	-	1,701,550
Recreation and culture	274,260	11,252	-	1,758	287,270
Intergovernmental:	-	2,961,429	73,958	-	3,035,387
Debt service:					
Principal	-	135,742	-	-	135,742
Interest and fiscal charges	-	10,446	-	-	10,446
Capital outlay:					
General government	-	66,173	-	-	66,173
Public safety	24,722	173,592	-	-	198,314
Judicial	-	-	-	-	-
Public works	-	205,369	-	-	205,369
Health and welfare	-	-	-	-	-
Recreation and culture	-	41,075	-	-	41,075
Total expenditures	12,341,451	4,383,343	486,959	1,070,021	18,281,774
Excess (deficiency) of revenues over expenditures	380,914	(631,734)	(97,778)	(327,473)	(676,071)
Other financing sources (uses):					
Transfers from (to) component unit	-	-	-	-	-
Transfers in	-	-	28,875	353,157	382,032
Transfers out	(382,032)	-	-	-	(382,032)
Net change in fund balances	(1,118)	(631,734)	(68,903)	25,684	(676,071)
Fund balances, beginning as restated	1,531,265	3,193,401	201,995	856,018	5,782,679
Fund balances, ending	$ 1,530,147	$ 2,561,667	$ 133,092	$ 881,702	$ 5,106,608

The notes to the financial statements are an integral part of this statement

HARALSON COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Net change in Fund Balance - Total Governmental Funds		**$ (676,071)**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Capital outlays	**$ 510,931**	
Depreciation expense	**(1,059,496)**	**(548,565)**
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Capital leases		**135,742**
Expenditures in the governmental funds that benefit periods beyond year-end are reported as prepaid items in the statement of net assets. Prepaid items at June 30, 2011 were unchanged from prepaid items at June 30, 2010.		
Prepaid insurance		**-**
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the funds.		**(18,755)**
Change in Net Assets of Governmental Activities		**$ (1,107,649)**

The notes to the financial statements are an integral part of this statement

HARALSON COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2011

	Agency Funds
Assets:	
Cash and cash equivalents	**$ 1,612,273**
Receivables:	
Taxes	**1,264,156**
Total assets	**$ 2,876,429**
Liabilities:	
Taxes payable to others upon collection	**$ 1,264,156**
Funds held in trust for others	**1,612,273**
Total liabilities	**$ 2,876,429**

The notes to the financial statements are an integral part of this statement

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

The reporting entity is comprised of the primary government and component units that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County.

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

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

Brief descriptions of the discretely presented component units follow:

Development Authority of Haralson County (Development Authority) – The Development Authority is a public corporation created to promote industry and trade in the County. The County Commissioner appoints the seven-member Development Authority Board of Directors. The Development Authority issued separately audited financial statements for

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

fiscal year ended June 30, 2011, and copies of these financial statements may be obtained from their administrative office.

Haralson County Health Department (Health Department) – The Health Department provides health care services and health education to residents of Haralson County. The Health Department receives financial support from Haralson County, Georgia, the State of Georgia and the Federal Government. The County Commissioner appoints a majority of the Board of Directors. The Health Department issued separately audited financial statements for fiscal year ended June 30, 2011 and copies of these financial statements may be obtained from their administrative office at Buchanan, Georgia.

Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. Under the new reporting model, the County is required to distinguish between governmental activities that are principally supported by taxes and user charges and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Government activities include general government, judicial, public safety, public works, health and welfare, and culture and recreation. The County does not have any business-type activities to report.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental and fiduciary funds. The County does not have any proprietary funds.

Major individual governmental funds are reported in separate columns with a composite column for non-major funds.

Fund Accounting - The County uses funds to maintain financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses two categories of funds: governmental and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

SPLOST Fund - The SPLOST fund accounts for the financial resources provided from the one-percent special purpose local option sales tax. Such resources are to be used for water, public safety, roads, recreation and government building capital projects.

Drug Task Force Fund - The Drug Task Force Fund accounts for grants, income and expenditures related to the Drug Task Force.

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

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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

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

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property tax, sales tax, interest and federal and state grants.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Equity

Cash and Investments

Cash includes amounts in demand deposits and all highly liquid investments such as bank certificates of deposits. At June 30, 2011, the County held no investments.

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

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

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

Receivables

All property tax and other receivables are reported net of an allowance for uncollectibles.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental column of the statement of net assets.

Consumable Inventories

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

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

Prepaid Items

On the government-wide financial statements, payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expense in the year in which services are consumed. At the fund reporting level, payments for the prepaid items are fully recognized as expenditures in the year of payment.

Capital Assets

General capital assets are those assets that generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of $5,000.

Improvements to capital assets are capitalized if they exceed the capitalization policy and extend the useful life of the asset or increase the value of the asset. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land, right-of-ways and construction in progress, when applicable. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASBS No. 34 requires the County to report and depreciate infrastructure assets constructed after July 1, 2002. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the County. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive infrastructure is also included in this report and includes infrastructure constructed since 1980.

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

Compensated Absences

The County has accrued unpaid vacation pay benefits earned by employees. Vacation pay benefits are earned at the rate of 5/6 day for each full month of service. Sick leave is earned at the rate of one day for each full month of service and employees may accumulate up to ninety days of sick leave. No accrual has been made for sick leave; employees are not paid for accumulated sick leave upon separation.

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

Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. Capital leases are recognized as a liability in the governmental fund financial statements when due.

Fund Equity

The County implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as of July 1, 2010. This new standard changed the overall definitions and classifications of governmental fund balances. Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 Manager 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: 1) committed, 2) assigned, and 3) unassigned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Interfund Activity

Interfund transfers are reported as other financing sources/uses in governmental funds. Transfers between funds reported in the governmental activities column are eliminated.

Estimates

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

An annual budget is prepared for the General Fund based on requests made by various department heads. The budget includes proposed expenditures and the means of financing them. Prior to the budget being legally enacted through passage of an ordinance, public

hearings are held to obtain taxpayer comments. The budget is prepared on the modified accrual basis of accounting which is the basis of accounting utilized by the General Fund. The County does not use an encumbrance system which records commitments related to unperformed contracts for goods and services.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

Annual budgets are prepared for the special revenue funds and project-length budgets are prepared for capital project funds. The budgets were not amended during the year.

The general fund expenditures exceeded budgeted appropriations by $666,834. The following department's expenditures exceeded its budgeted appropriations by three percent or more:

	Budget	Actual	Difference
General County Government	579,028	704,214	125,186
Tax Assessors	309,629	366,634	57,005
Tax Commissioner	235,050	244,247	9,197
County Buildings	68,960	81,852	12,892
West Georgia Boot Camp	44,955	46,797	1,842
Law Enforcement	1,435,850	1,708,587	272,737
Jail Operations	1,256,145	1,652,882	396,737
Fire Department	1,534,055	1,629,852	95,797
Emergency Management	71,039	91,241	20,202
Courthouse Security	84,459	102,731	18,272
Probation Department	98,675	109,590	10,915
Clerk, Superior Court	328,575	353,934	25,359
Probate Court	205,806	218,855	13,049
Recreation	244,451	255,060	10,609

Budget violations also occurred in the Law Library Fund, Sheriff Forfeiture Fund, DA Victim Witness Fund, County Jail Fund, Special Law Enforcement Grant Fund, Juvenile Supervision Fund, E 911 Surcharge Fund, Probations Fund, Drug Abuse Treatment Fund and Special Recreation Fund.

General fund revenue exceeded budgeted revenue by $597,902.

The current administration is reviewing new accounting policies and procedures to prevent future violations.

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS

Custodial Credit Risk Related to Deposits

Total and Investments as fo June 30, 2011 are summarized as follows:

Balances per statement of net assets:		
Cash and cash equivalents - General government	$	905,487
Cash and cash equivalents - SPLOST Fund		2,718,327
Cash and cash equivalents - Drug Task Force Fund		242,100
Cash and cash equivalents - Other Governmental Funds		431,728
Balances per statement of fiduciary net assets:		
Cash and cash equivalents - Agency Funds		1,612,273
	$	5,909,915

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2011, all of the deposits of the County and the component units were properly insured and collateralized as required by the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c) and as defined by GASB pronouncements.

Receivables

Receivables at June 30, 2011, consisted of taxes, miscellaneous receivables, and intergovernmental receivables arising from grants. An allowance for uncollectible taxes is provided based on prior experience. The allowance for uncollectible taxes at June 30, 2011 was $56,314.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes were levied on September 15, 2010, and were payable on December 1, 2010.

Taxes were levied by the County for general operations for Fiscal Year 2010–2011 as follows:

Property inside incorporated areas	11.02 mills
Property outside incorporated areas	11.02 mills

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONT)

Capital Assets

Primary Government:	Balance at July 1, 2010	Additions	Disposals	Balance at June 30, 2011
Nondepreciable capital assets:				
Land and improvements	$ 878,603	$ -	$ -	$ 878,603
Construction in progress	519,776	41,075	492,694	68,157
Total nondepreciable capital assets	1,398,379	41,075	492,694	946,760
Depreciable capital assets:				
Buildings - as restated	11,835,103	-	-	11,835,103
Machinery & equipment - as restated	12,763,147	530,644	-	13,293,791
Infrastructure	6,088,279	431,906	-	6,520,185
Total depreciable capital assets	30,686,529	962,550	-	31,649,079
Less accumulated depreciation:				
Buildings	2,805,341	280,843	-	3,086,184
Machinery & equipment	10,222,327	611,425	-	10,833,752
Infrastructure	2,626,234	167,227	-	2,793,461
Total accumulated depreciation	15,653,902	1,059,495	-	16,713,397
Total depreciable capital assets, net	15,032,627	(96,945)	-	14,935,682
Capital assets, net	$ 16,431,006	$ (55,870)	$ 492,694	$ 15,882,442

Governmental activities depreciation expense:

General Government	$ 92,395
Public Safety	432,037
Judicial	35,419
Roads and Bridges	355,398
Health and Welfare	77,461
Recreation and Culture	66,786
	$ 1,059,496

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONT)

Component units:	Balance at July 1, 2010	Additions	Disposals	Balance at June 30, 2011
Nondepreciable capital assets:				
Land and improvements	$ 162,605	$ -	$ -	$ 162,605
Depreciable capital assets:				
Buildings	27,049	-	-	27,049
Machinery and equipment	98,299	-	-	98,299
Infrastructure	3,739,728	-	-	3,739,728
Total depreciable capital assets	3,865,076	-	-	3,865,076
Less accumulated depreciation:				
Buildings	(6,061)	(676)	-	(6,737)
Machinery and equipment	(98,299)	(6,224)	-	(104,523)
Infrastructure	(1,126,375)	(146,221)	-	(1,272,596)
Total accumulated depreciation	(1,230,735)	(153,121)	-	(1,383,856)
Total depreciable capital assets, net	2,634,341	(153,121)	-	2,481,220
Capital assets, net	$ 2,796,946	$ (153,121)	$ -	$ 2,643,825

Long-Term Debt

Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2011:

	Balance at July 1, 2010	Additions	Reductions	Balance at June 30, 2011	Amount Due Within One Year
Machinery and equipment	$ 284,231	$ 218,304	$ 349,681	$ 152,854	$ 77,015

The gross amount of assets recorded under capital leases is as follows:

Machinery & Equipment	$877,715

On July 8, 2008, the County entered into a lease agreement for the acquisition of various equipment. The original term of the lease was for a period of twenty four months, commencing on July 8, 2008 and ending on July 8, 2010, with a balloon balance due of $218,304. The balloon balance was refinanced for a period of thirty-six months

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONT)

commencing on July 10, 2010 and ending on June 10, 2013. The lease agreement qualifies as a capital lease for accounting purposes. Future minimum lease payments are as follows:

Year	Principal	Interest	Total
2012	$ 66,781	$ 4,330	$ 71,111
2013	75,839	1,736	77,575
	$ 142,620	$ 6,066	$ 148,686

On August 17, 2006 the County entered into a lease/purchase agreement for acquisition of equipment for the sanitation department. The term of the lease is for sixty months commencing on September 20, 2006 and ending August 20, 2011. Future minimum payments are as follows:

Year	Principal	Interest	Total
2012	10,234	63	10,297
	$ 10,234	$ 63	$ 10,297

Interfund Transfers and Balances

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

Transfer from:	General Fund	Drug Task Force Fund	E911	Total
General Fund	$ -	$ 28,875	$ 353,157	$ 382,032
Drug Task Force Fund	-	-	-	-
E911	-	-	-	-
SPLOST	-	-	-	-
Jail Staffing	-	-	-	-
	$ -	$ 28,875	$ 353,157	$ 382,032

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONT)

Interfund balances at June 30, 2011, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

	Due to:			
Due from:	General Fund	SPLOST	Non-major Governmental	Total
General Fund	$ -	$ -	$ 19,236	$ 19,236
SPLOST	$ 201,173	$ -	$ -	$ 201,173
Drug Task Force	14,784	-	-	14,784
Non-major governmental	32,322	-	-	32,322
	$ 248,279	$ -	$ 19,236	$ 267,515

NOTE 4 – OTHER NOTES

Pensions

Plan Description

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

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as 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. A separately issued financial report of the Plan may be obtained by writing GEBCORP at 100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

NOTE 4 – OTHER NOTES (CONTINUED)

Funding Policy

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in State of Georgia statutes. The County's required contribution for the 2011 Plan year is $279,408 which represents 8.7% of covered payroll. Plan participants are required to contribute 2% of salary to the plan.

Annual Pension Cost

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

Derivation of Net Pension Obligation:	**2011**	**2010**
Net Pension Obligation as of Beginning of Prior Year	$ 45,535	$ 45,783
Annual Pension Cost for Prior Year	$ 260,651	$ 237,107
Actual Contributions to Plan for Prior Year	260,898	237,355
Increase (Decrease) in Net Pension Obligation	$ (247)	$ (248)
Net Pension Obligation as of Beginning of the Year	$ 45,288	$ 45,535
Derivation of Annual Pension Cost:		
Annual Required Contribution	$ 279,653	$ 260,898
Interest on Net Pension Obligation	3,510	3,529
Amortization of Net Pension Obligation	(3,775)	(3,776)
Annual Pension Cost	$ 279,408	$ 260,651

Trend Information for the Plan

Fiscal Year Beginning	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
1/1/2011	$ 279,408	N/A	N/A	$ 45,288
1/1/2010	$ 260,651	$ 260,898	100%	$ 45,535
1/1/2009	$ 237,107	$ 237,355	100%	$ 45,783
1/1/2008	$ 210,033	$ 113,321	54%	$ (50,929)
1/1/2007	$ 197,346	$ 213,470	108%	$ (34,805)
1/1/2006	$ 190,441	$ 210,372	110%	$ (14,874)

Required Supplementary Information

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
12/31/10	$260,898	100.0%
12/31/09	$237,355	100.0%
12/31/08	$209,808	54.0%
12/31/07	$197,192	108.3%
12/31/06	$190,376	110.5%
12/31/05	$133,595	100.0%
12/31/04	$151,646	112.6%
12/31/03	$102,432	113.0%
12/31/02	$ 77,184	100.0%
12/31/01	$ 62,122	100.0%
12/31/00	$ 60,258	100.0%

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll [(b - a)/ c]
12/31/10	$3,340,824	* $4,397,151	$1,056,327	76.0%	$2,922,543	36.1%
12/31/09	$3,022,169	* $3,990,026	$967,857	75.7%	$2,604,080	37.2%
12/31/08	$2,681,192	$3,653,139	$971,947	73.4%	$2,660,904	36.5%
12/31/07	$2,700,059	$3,356,104	$656,045	80.5%	$2,466,088	26.6%
12/31/06	$2,378,346	$3,017,192	$638,846	78.8%	$2,376,886	26.9%
12/31/05	$2,038,726	$2,476,851	$438,125	82.3%	$1,325,876	33.0%
12/31/04	$1,957,444	$2,621,039	$663,595	74.7%	$1,590,872	41.7%
12/31/03	$1,793,976	$2,097,774	$303,798	85.5%	$1,284,699	23.6%
12/31/02	$1,557,739	$1,968,276	$410,537	79.1%	$1,059,666	38.7%
12/31/01	$1,658,177	$1,873,942	$215,765	88.5 %	$1,183,253	18.2%
12/31/00	$1,697,497	$1,750,407	$52,910	97.0 %	$1,335,690	4.0%

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan.

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

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

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2011. The following summarizes the actual methods and assumptions used in that valuation:

Valuation Date	January 1, 2011
Actuarial Cost Method	Projected Unit Credit
Asset Valuation Method	Market Value
Amortization Method	Level Percent of Pay (closed)
Remaining Amortization Period*	10
Actuarial Assumptions	
Assumed Rate of Return on Assets	7.75%
Expected Future Salary Increases	5.0%-7.5% based on age
Expected Inflation	3.0%

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

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457 (d). The Plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The County does not contribute to the plan. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 4 – OTHER NOTES (CONTINUED

Risk Management

The County is exposed to various risks of losses related to torts, thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains third party coverage for claims arising from property and general liability claims.

The Government has joined together with other counties in the state as part of the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

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

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

Contingent Liabilities

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

The County is party to various legal proceedings which normally occur in governmental operations. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

Joint Ventures

Coosa Valley Regional Development Center

Haralson County is a participant in the Northwest Georgia Regional Commission. Assessed allocation of $20,106 was expended for the current year. Assessments may vary annually, but no substantial change in the financial burden of the County is anticipated.

Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements of the center are available at the offices located at 1 Jackson Hill Drive, Rome, Georgia.

NOTE 4 – OTHER NOTES (CONTINUED)

Haralson County Solid Waste Management Authority

Haralson County, Georgia and the Cities of Bremen, Buchanan, Tallapoosa and Waco are members of a joint venture to provide landfill facilities to the citizens of the County.

Summarized financial information for the solid waste joint venture is detailed below:

Condensed Statement of Assets, Liabilities, and Net Assets

Cash	$	453.707
Other Current Assets		49,254
Fixed Assets, net		860,194
Total assets	$	1,363,155
Current Liabilities	$	97,253
Accrued closure and post closure costs		1,307,574
Total liabilities		1,404,827
Total net assets (deficit)		(41,672)
Total liabilities and net assets	$	1,363,155

Condensed Statement of Revenues and Expenses

Revenue	$	402,851
Operating expenses		(480,899)
Nonoperating revenue		25,161
Change in net assets	$	(52,887)

State and federal laws and regulations require Haralson County Solid Waste Management Authority to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Authority reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The landfill stopped accepting waste in January, 2000 and is in final closure procedures. The $1,307,574 reported as landfill closure

NOTE 4 – OTHER NOTES (CONTINUED)

and post-closure care liability at June 30, 2011, represents the cumulative amount reported to date of $2,417,130 based on the use of 100 percent of the estimated capacity of the landfill less closure expenses incurred to date of $1,109,556.

These amounts are based on what it would cost to perform all closure and post-closure care in the fiscal year ending June 30, 2011. Actual cost may vary due to inflation, changes in technology, or changes in regulations.

According to the Department of Natural Resources, the County has the responsibility for insuring the financial viability of the solid waste facility should the obligations of the facility not be met internally. However, the facility should accumulate sufficient financial resources for services provided by the facility to function without placing a significant burden on the County.

Component Units

	Haralson County Health Department	Development Authority of Haralson County	Total
Assets:			
Cash	$ 136,262	$ 1,103,412	$ 1,239,674
Other receivables	-	53,421	53,421
Inventory	548	-	548
Due from other governments	59,430	-	59,430
Capital assets	-	-	-
Total assets	196,240	1,156,833	1,353,073
Liabilities:			
Accounts payable	171	-	171
Accrued expenses	-	4,287	4,287
Notes payable	-	-	-
Compensated absences payable	35,439	-	35,439
Due to other governments	17,654	-	17,654
Total liabilities	53,264	4,287	57,551
Net assets:			
Invested in capital assets, net of related debt	-	-	-
Unrestricted	142,976	1,152,546	1,295,522
Total net assets	$ 196,240	$ 1,156,833	$ 1,295,522

NOTE 4 – OTHER NOTES (CONTINUED)

Statement of Activities Information	Haralson County Health Department	Development Authority of Haralson County	Total
Expenses:			
Health and welfare	$ 601,388	$ -	$ 601,388
Economic development	-	162,719	162,719
Total expenses	601,388	162,719	764,107
Revenues:			
Program revenues:			
Charges for services	186,290	272,640	458,930
Operating grants and contributions	208,791	-	208,791
Capital grants and contributions	-	-	-
Total program revenues	395,081	272,640	667,721
Net program (expense) revenue	(206,307)	109,921	(96,386)
General revenues:			
County funding	135,446	96,604	232,050
Interest	715	9,275	9,990
Other	36,387	-	36,387
Transfers	-	-	-
Total general revenues and transfers	172,548	105,879	278,427
Change in net assets	(33,759)	215,800	182,041
Beginning net assets	182,806	3,733,692	3,916,498
Ending net assets	$ 149,047	$ 3,949,492	$ 4,098,539

NOTE 5 – PRIOR PERIOD ADJUSTMENTS

FUND BALANCE – Governmental Funds

Description	FY 2010 Ending Balance	Increase		Decrease*		FY 2010 Balance, Restated
General	$ 1,693,331	$ -		$ 162,066	(1)	$ 1,531,265
SPLOST	2,484,126	709,275	(2)	-		3,193,401
Drug Task Force	201,995	-		-		201,995
Other	868,011	-		11,993	(1)	856,018
Total Governmental	$ 5,247,463	$ 709,275		$ 174,059		$ 5,782,679

(1) - Accounts receivable at 6/30/10 were overstated

(2) - Sales Tax receivable at 6/30/10 was overstated

NET ASSETS

Description	FY 2010 Ending Balance		Increase	Decrease*		FY 2010 Balance, Restated
Net Assets	$ 21,133,340	(2)	$ 709,275	$ 178,423	(1), (3)	$ 21,664,192

(1) - Accounts receivable at 6/30/10 were overstated

(2) - Sales Tax receivable at 6/30/10 was overstated

(3) - Prepaid expense at 6/30/10 were overstated $4,362

REQUIRED SUPPLEMENTARY INFORMATION

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Taxes:				
Real and personal property digest taxes	$ 8,251,463	$ 8,251,463	$ 7,472,356	(779,107)
Auto ad valorem and mobile home	-	-	808,829	808,829
Recording intangibles	100,000	100,000	69,430	(30,570)
Timber tax	-	-	28,533	28,533
Interest, penalties, fifas and commissions	30,000	30,000	267,141	237,141
Tag fees	-	-	56,504	56,504
	8,381,463	8,381,463	8,702,793	321,330
Less: Fees paid to tax commissioner	-	-	(183,178)	(183,178)
	8,381,463	8,381,463	8,519,615	138,152
Local option sales tax	1,700,000	1,700,000	1,853,425	153,425
Malt beverages tax	52,000	52,000	52,184	184
Railroad equipment tax	16,000	16,000	16,643	643
Insurance premium tax	830,000	830,000	807,400	(22,600)
Real estate transfer tax	13,000	13,000	21,937	8,937
Total taxes	10,992,463	10,992,463	11,271,204	738,223
Licenses and permits				
License and franchise fees	94,000	94,000	92,965	(1,035)
Convenience center permits	70,000	70,000	99,897	29,897
Building permits	25,000	25,000	33,993	8,993
Total licenses and permits	189,000	189,000	226,855	37,855
Intergovernmental				
Road contracts	-	-	93,912	93,912
Juvenile court grants	88,000	88,000	106,895	18,895
Public transportation	-	-	-	-
Department defense council	-	-	-	-
Others	25,000	25,000	20,797	(4,203)
Total intergovernmental	113,000	113,000	221,604	108,604
Charges for services:				
Recreation fees	60,000	60,000	53,974	(6,026)
Transit program fees	65,000	65,000	61,954	(3,046)
Fire department service fees	-	-	2,898	2,898
Animal control	10,500	10,500	11,783	1,283
Probation & community service fees	68,000	68,000	73,738	5,738
Other services	2,000	2,000	8,677	6,677
Total charges for services	205,500	205,500	213,024	7,524
Courts and law enforcement:				
Probate court	205,000	205,000	200,838	(4,162)
Superior court	235,000	235,000	232,494	(2,506)
Magistrate court	60,000	60,000	75,188	15,188
Sheriff	100,000	100,000	137,712	37,712
Others	15,000	15,000	109,217	94,217
Total courts and law enforcement	615,000	615,000	755,449	140,449

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Use of money and property:				
Interest	$ -	$ -	$ 7,068	$ 7,068
Sale of pipes, maps, copies, & equipment	7,500	7,500	15,099	7,599
Total use of money and property	7,500	7,500	22,167	14,667
Miscellaneous revenue	2,000	2,000	12,062	10,062
Total general fund revenues	12,124,463	12,124,463	12,722,365	1,057,384
Expenditures:				
Current:				
General government:				
Commissioner of Roads and Revenues:				
Salaries	220,000	220,000	223,288	(3,288)
Payroll taxes	16,830	16,830	16,351	479
Group insurance	25,563	25,563	17,747	7,816
Pension plan contribution	5,605	5,605	7,897	(2,292)
Advertising	-	-	40	(40)
Telephone	4,700	4,700	2,668	2,032
Memberships and dues	75	75	35	40
Maintenance	7,500	7,500	6,015	1,485
Postage	-	-	-	-
Auto allowance	2,000	2,000	2,445	(445)
Travel and seminars	3,500	3,500	3,800	(300)
Office supplies	1,100	1,100	463	637
Utilities	9,400	9,400	11,234	(1,834)
Bond premiums	-	-	-	-
Workers' compensation	-	-	-	-
Miscellaneous	-	-	-	-
	296,273	296,273	291,983	4,290
General County Government:				
Accounting and audit	53,000	53,000	54,104	(1,104)
Advertising	4,500	4,500	1,470	3,030
Consulting fees	12,000	12,000	23,339	(11,339)
Coosa Valley Program	21,000	21,000	20,133	867
Insurance - liability and related risks	138,578	138,578	170,309	(31,731)
Jail facility	30,000	30,000	68,609	(38,609)
Legal	35,000	35,000	40,763	(5,763)
Memberships & Dues	7,200	7,200	6,801	399
Office supplies	7,500	7,500	7,703	(203)
TANT interest	15,000	15,000	7,080	7,920
Workers' compensation	244,000	244,000	272,584	(28,584)
Miscellaneous	11,250	11,250	31,319	(20,069)
	579,028	579,028	704,214	(125,186)

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
General Government (cont.):				
Treasurer:				
Salaries	$ 14,762	$ 14,762	$ 15,615	$ (853)
Payroll taxes	1,130	1,130	1,084	46
Group insurance	5,456	5,456	5,396	60
Pension plan contribution	1,190	1,190	1,175	15
Telephone	-	-	-	-
Postage	-	-	-	-
Office supplies	-	-	(132)	132
Bond premiums	-	-	-	-
Workers' compensation	-	-	-	-
	22,538	22,538	23,138	(600)
Tax Assessors:				
Salaries	195,600	195,600	209,143	(13,543)
Payroll taxes	14,864	14,864	14,488	376
Group insurance	50,365	50,365	51,762	(1,397)
Unemployment benefits	-	-	-	-
Pension plan contributions	9,300	9,300	11,890	(2,590)
Advertising	600	600	180	420
Telephone	2,700	2,700	3,470	(770)
Memberships and dues	1,500	1,500	1,350	150
Legal	1,000	1,000	188	812
Maintenance	13,000	13,000	16,415	(3,415)
Postage	3,300	3,300	8,435	(5,135)
Auto allowance	3,700	3,700	2,767	933
Travel and seminars	5,250	5,250	8,581	(3,331)
Office supplies	5,050	5,050	7,957	(2,907)
Utilities	3,400	3,400	3,969	(569)
Workers' compensation	-	-	-	-
Employee drug testing	-	-	-	-
Capital expenditures	-	-	-	-
Miscellaneous	-	-	26,039	(26,039)
	309,629	309,629	366,634	(57,005)
Tax Commissioner:				
Salaries	129,150	129,150	128,288	862
Payroll taxes	9,500	9,500	9,398	102
Group insurance	24,850	24,850	25,765	(915)
Pension plan contributions	9,600	9,600	9,791	(191)
Accounting and audit	7,000	7,000	6,404	596
Telephone	1,800	1,800	1,523	277
Memberships and dues	450	450	250	200
Legal	500	500	30	470
Maintenance	5,000	5,000	7,347	(2,347)
Postage	13,000	13,000	17,762	(4,762)

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
General Government (cont.):				
Tax Commissioner (cont.):				
Travel and seminars	$ 4,000	$ 4,000	$ 2,776	$ 1,224
Office supplies	19,200	19,200	23,515	(4,315)
Utilities	11,000	11,000	11,398	(398)
Recording fees	-	-	-	-
Bond premiums	-	-	-	-
Workers' compensation	-	-	-	-
Miscellaneous	-	-	-	-
Capital expenditures	-	-	-	-
	235,050	235,050	244,247	(9,197)
Department of License and Permits				
Salaries	68,757	68,757	61,929	6,828
Payroll taxes	5,259	5,259	4,441	818
Group insurance	13,890	13,890	13,472	418
Pension plan contributions	2,000	2,000	2,222	(222)
Advertising	150	150	70	80
Telephone	1,700	1,700	1,648	52
Membership dues	100	100	100	-
Legal	-	-	-	-
Maintenance	1,200	1,200	956	244
Postage	250	250	178	72
Auto allowance	700	700	753	(53)
Travel and seminars	500	500	237	263
Office supplies	1,000	1,000	915	85
Utilities	1,000	1,000	993	7
Employee drug testing	-	-	-	-
Zoning	-	-	-	-
Workers' compensation	-	-	-	-
	96,506	96,506	87,914	8,592
Elections:				
Salaries	55,000	55,000	50,637	4,363
Payroll taxes	4,207	4,207	3,476	731
Group insurance	8,410	8,410	9,576	(1,166)
Pension plan contributions	1,600	1,600	1,723	(123)
Advertising	700	700	493	207
Telephone	2,000	2,000	1,930	70
Membership dues	100	100	110	(10)
Postage	2,500	2,500	3,730	(1,230)
Travel and seminars	3,500	3,500	1,520	1,980
Office supplies	1,500	1,500	1,347	153
Utilities	2,600	2,600	2,798	(198)
Election expenses	50,000	50,000	56,511	(6,511)
Miscellaneous	-	-	-	-
Workers' compensation	-	-	-	-
	132,117	132,117	133,851	(1,734)

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
General Government (cont.):				
County Extension Service:				
Salaries	$ 68,110	$ 68,110	$ 66,726	$ 1,384
Payroll taxes	5,210	5,210	5,059	151
Retirement benefits	4,600	4,600	4,654	(54)
Pension plan contributions	-	-	-	-
Group insurance	38	38	37	1
Telephone	2,800	2,800	2,561	239
Memberships and dues	1,000	1,000	810	190
Maintenance	1,500	1,500	669	831
Auto allowance	2,500	2,500	1,650	850
Travel and seminars	2,000	2,000	1,099	901
Miscellaneous	-	-	-	-
Office supplies	1,000	1,000	309	691
Utilities	8,100	8,100	8,617	(517)
Workers' compensation	-	-	-	-
Extension retirement	-	-	-	-
	96,858	96,858	92,191	4,667
County Buildings:				
Salaries	27,000	27,000	27,205	(205)
Payroll taxes	2,000	2,000	2,056	(56)
Group insurance	5,480	5,480	5,396	84
Pension plan contributions	2,080	2,080	2,049	31
Janitorial services	20,400	20,400	20,400	-
Maintenance	7,000	7,000	23,835	(16,835)
Postage	-	-	-	-
Auto allowance	-	-	1,298	(1,298)
Travel and seminars	-	-	-	-
Supplies	4,000	4,000	2,299	1,701
Office supplies	1,000	1,000	-	1,000
Utilities	-	-	(2,686)	2,686
Workers' compensation	-	-	-	-
Capital expenditures	-	-	-	-
	68,960	68,960	81,852	(12,892)
West Georgia Boot Camp:				
Gasoline usage and other	5,455	5,455	7,297	(1,842)
Boot Camp contract	39,500	39,500	39,500	-
	44,955	44,955	46,797	(1,842)
Economic Development:				
Haralson County Development Authority:				
Telephone			-	-
Vehicle repairs			-	-
Dev authority contract	96,604	96,604	96,604	-

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
General Government (cont):				
Economic Development (cont):				
Program expenditures	$ -	$ -	$ -	$ -
	96,604	96,604	96,604	-
Total General Government	1,978,518	1,978,518	2,169,425	(190,907)
Public Safety				
Law Enforcement:				
Salaries	935,600	935,600	1,110,184	(174,584)
Payroll taxes	71,600	71,600	87,375	(15,775)
Group insurance	160,000	160,000	161,600	(1,600)
Pension plan contribution	35,000	35,000	41,351	(6,351)
Accounting and audit	2,700	2,700	4,131	(1,431)
Telephone	13,950	13,950	14,391	(441)
Memberships and dues	930	930	800	130
Legal	465	465	-	465
Maintenance	18,600	18,600	24,453	(5,853)
Postage	1,395	1,395	1,499	(104)
Auto allowance	162,200	162,200	212,866	(50,666)
Travel and seminars	3,000	3,000	4,686	(1,686)
Ammunition	600	600	1,359	(759)
Office supplies	9,300	9,300	10,780	(1,480)
Uniforms	6,000	6,000	15,490	(9,490)
Utilities	-	-	430	(430)
Investigations	3,000	3,000	8,635	(5,635)
Towing and vehicle storage	4,650	4,650	1,195	3,455
Insurance-liability and related risks	-	-	-	-
Workers' compensation	-	-	-	-
Employee drug tests & physicals	1,280	1,280	420	860
CHAMPS Program	5,580	5,580	6,942	(1,362)
Miscellaneous	-	-	-	-
Capital expenditures	-	-	-	-
	1,435,850	1,435,850	1,708,587	(272,737)
Jail Operations:				
Salaries	599,400	599,400	874,966	(275,566)
Payroll taxes	47,125	47,125	64,342	(17,217)
Group insurance	160,000	160,000	166,969	(6,969)
Unemployment benefits	-	-	-	-
Pension plan contribution	17,600	17,600	20,518	(2,918)
Telephone	2,500	2,500	3,035	(535)
Legal	-	-	-	-
Maintenance	25,250	25,250	40,238	(14,988)
Postage	-	-	114	(114)
Auto allowance	-	-	-	-
Travel and seminars	930	930	757	173

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
Public Safety (cont.)				
Jail Operations (cont.):				
Janitorial supplies	$ 400	$ 400	$ 500	$ (100)
Food service	130,000	130,000	159,010	(29,010)
Office supplies	5,580	5,580	6,084	(504)
Prisoner maintenance	22,000	22,000	29,944	(7,944)
Prisoner housing	20,000	20,000	8,050	11,950
Prisoner medical	145,000	145,000	182,094	(37,094)
Prisoner transport	1,860	1,860	3,343	(1,483)
Uniforms	3,000	3,000	3,398	(398)
Utilities	74,400	74,400	89,139	(14,739)
Workers' compensation	-	-	-	-
Employee drug tests & physicals	1,100	1,100	315	785
Capital expenditures	-	-	-	-
Miscellaneous	-	-	66	(66)
	1,256,145	1,256,145	1,652,882	(396,737)
Drug Task Force:				
Salaries	140,000	140,000	139,927	73
Payroll taxes	10,710	10,710	10,135	575
Group insurance	30,125	30,125	26,646	3,479
Pension plan contributions	11,400	11,400	10,965	435
Grant match	28,875	28,875	-	28,875
Telephone	650	650	585	65
Postage	-	-	108	(108)
Auto allowance	3,200	3,200	3,884	(684)
Office supplies	1,200	1,200	-	1,200
Workers' compensation	-	-	-	-
Miscellaneous	-	-	-	-
	226,160	226,160	192,250	33,910
Fire Department:				
Salaries	1,070,000	1,070,000	1,153,323	(83,323)
Payroll taxes	81,855	81,855	85,659	(3,804)
Group insurance	150,000	150,000	142,588	7,412
Pension plan contributions	36,000	36,000	42,295	(6,295)
Telephone	7,500	7,500	10,720	(3,220)
Memberships and dues	800	800	800	-
Maintenance	25,000	25,000	23,061	1,939
Postage	200	200	386	(186)
Auto allowance	69,000	69,000	81,548	(12,548)
Travel and seminars	4,000	4,000	3,180	820
Supplies	21,800	21,800	14,789	7,011
Office supplies	2,500	2,500	1,471	1,029
Uniforms	14,000	14,000	13,641	359
Utilities	48,000	48,000	53,755	(5,755)
Investigations	1,000	1,000	782	218
Workers' compensation	-	-	-	-

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
Public Safety (cont.)				
Fire Department (cont):				
Employee drug tests & physicals	$ 1,200	$ 1,200	$ 1,701	$ (501)
Miscellaneous	1,200	1,200	153	1,047
	1,534,055	1,534,055	1,629,852	(95,797)
Emergency Management:				
Salaries	42,000	42,000	36,206	5,794
Payroll taxes	3,215	3,215	2,765	450
Group insurance	7,824	7,824	6,123	1,701
Pension plan contributions	-	-	-	-
Telephone	-	-	727	(727)
Maintenance	12,300	12,300	10,505	1,795
Postage	-	-	99	(99)
Auto allowance	3,500	3,500	9,677	(6,177)
Travel and seminars	1,500	1,500	-	1,500
Office supplies	200	200	123	77
Uniforms	300	300	-	300
Utilities	-	-	-	-
Capital Expenditures	-	-	24,722	(24,722)
Employee drug tests & physicals	-	-	-	-
Miscellaneous	200	200	294	(94)
	71,039	71,039	91,241	(20,202)
Georgia Forestry:				
Salaries	1,700	1,700	1,675	25
Payroll taxes	130	130	128	2
GA Forestry payment	12,302	12,302	12,302	-
	14,132	14,132	14,105	27
Courthouse Security:				
Salaries	58,000	58,000	71,440	(13,440)
Payroll taxes	4,437	4,437	5,137	(700)
Group insurance	16,400	16,400	15,296	1,104
Pension plan contributions	4,272	4,272	3,985	287
Telephone	350	350	478	(128)
Uniforms	500	500	462	38
Maintenance	-	-	5,000	(5,000)
Utilities	500	500	933	(433)
	84,459	84,459	102,731	(18,272)
County Marshall:				
Salaries	40,206	40,206	41,069	(863)
Payroll taxes	3,075	3,075	3,000	75
Group insurance	5,480	5,480	5,396	84
Pension plan contributions	2,925	2,925	3,030	(105)
Telephone	800	800	790	10
Memberships and dues	100	100	-	100
Maintenance	500	500	471	29

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
Public Safety (cont)				
County Marshall (cont)				
Postage	$ 50	$ 50	$ 119	$ (69)
Auto allowance	2,400	2,400	2,925	(525)
Travel and seminars	500	500	893	(393)
Office supplies	300	300	193	107
Uniforms	400	400	-	400
Utilities	450	450	496	(46)
Employee drug tests & physicals	-	-	-	-
	57,186	57,186	58,382	(1,196)
E-911:				
Salaries	-	-	-	-
Payroll taxes	-	-	-	-
Group insurance	-	-	-	-
Unemployment benefits	-	-	-	-
Pension plan contributions	-	-	-	-
Telephone	-	-	-	-
Memberships and dues	-	-	-	-
Maintenance	-	-	-	-
Auto allowance	-	-	-	-
Travel and seminars	-	-	-	-
Office supplies	-	-	-	-
Supplies	-	-	-	-
Uniforms	-	-	-	-
Utilities	-	-	-	-
Workers' compensation	-	-	-	-
Employee drug tests & physicals	-	-	-	-
Miscellaneous	-	-	-	-
	-	-	-	-
Total Public Safety	4,679,026	4,679,026	5,450,030	(771,004)
Judicial				
Superior Court:				
Salaries	83,000	83,000	82,657	343
Court reporters	4,400	4,400	3,691	709
Jury fees	25,000	25,000	20,460	4,540
Witness fees	-	-	275	(275)
Payroll taxes	5,584	5,584	4,969	615
Group insurance	5,480	5,480	5,396	84
Pension plan contributions	4,200	4,200	3,838	362
Accounting and audit	250	250	-	250
Telephone	4,000	4,000	3,885	115
Memberships and dues	600	600	250	350
Maintenance	600	600	693	(93)

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
Judicial (cont.):				
Superior Court (cont):				
Postage	$ 950	$ 950	$ 1,567	$ (617)
Travel and seminars	300	300	250	50
Office supplies	700	700	247	453
Utilities	9,000	9,000	11,195	(2,195)
Workers' compensation	-	-	-	-
Drug court	18,000	18,000	-	18,000
Miscellaneous	-	-	-	-
	162,064	162,064	139,373	22,691
Probation Department:				
Salaries	80,000	80,000	85,878	(5,878)
Payroll taxes	5,800	5,800	6,489	(689)
Community service	300	300	700	(400)
Group insurance	5,150	5,150	9,466	(4,316)
Audit	500	500	-	500
Telephone	1,400	1,400	1,499	(99)
Maintenance	2,200	2,200	2,789	(589)
Postage	325	325	44	281
Supplies	1,600	1,600	730	870
Utilities	1,200	1,200	1,985	(785)
Workers' compensation	-	-	-	-
Travel and seminars	200	200	-	200
Miscellaneous	-	-	10	(10)
	98,675	98,675	109,590	(10,915)
District Attorney:				
Salaries	70,726	70,726	61,854	8,872
Court reporters	200	200	-	200
Victim witness assistance	25,000	25,000	21,546	3,454
Witness fees	5,000	5,000	-	5,000
Payroll taxes	5,400	5,400	4,668	732
Group insurance	18,000	18,000	20,369	(2,369)
Pension plan contributions	-	-	3,247	(3,247)
Advertising	1,000	1,000	240	760
Telephone	2,500	2,500	2,560	(60)
Memberships and dues	500	500	541	(41)
Maintenance	2,000	2,000	3,483	(1,483)
Postage	1,600	1,600	1,864	(264)
Travel and seminars	500	500	78	422
Office Supplies	5,000	5,000	8,884	(3,884)
Utilities	4,600	4,600	5,052	(452)
Workers' compensation	-	-	-	-
Miscellaneous	-	-	125	(125)
	142,026	142,026	134,511	7,515

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
Judicial (cont.)				
Clerk, Superior Court:				
Salaries	$ 213,000	$ 213,000	$ 240,721	$ (27,721)
Payroll taxes	16,295	16,295	17,697	(1,402)
Group insurance	41,293	41,293	44,000	(2,707)
Unemployment benefits	-	-	-	-
Pension plan contributions	12,687	12,687	11,459	1,228
Accounting and audit	3,000	3,000	750	2,250
Telephone	3,000	3,000	2,871	129
Memberships and dues	300	300	400	(100)
Legal advertising	500	500	580	(80)
Maintenance	5,000	5,000	2,029	2,971
Postage	4,500	4,500	3,680	820
Travel and seminars	2,000	2,000	2,263	(263)
Indexing	10,000	10,000	12,396	(2,396)
Office supplies	5,000	5,000	6,638	(1,638)
Utilities	6,000	6,000	7,464	(1,464)
Permanent record books	6,000	6,000	961	5,039
Miscellaneous	-	-	25	(25)
	328,575	328,575	353,934	(25,359)
Probate Court				
Salaries	131,966	131,966	145,295	(13,329)
Payroll taxes	10,095	10,095	10,654	(559)
Group insurance	28,075	28,075	27,213	862
Pension plan contributions	7,620	7,620	9,439	(1,819)
Accounting and audit	-	-	-	-
Telephone	2,700	2,700	2,171	529
Memberships and dues	750	750	200	550
Legal advertisements	6,000	6,000	6,800	(800)
Maintenance	1,500	1,500	497	1,003
Postage	3,000	3,000	4,351	(1,351)
Travel and education	2,100	2,100	2,158	(58)
Indexing	-	-	-	-
Library	600	600	-	600
Office supplies	3,400	3,400	2,785	615
Utilities	5,500	5,500	6,530	(1,030)
Permanent record books	2,500	2,500	762	1,738
Vital records	-	-	-	-
Bond premium	-	-	-	-
Workers' compensation	-	-	-	-
Capital expenditures	-	-	-	-
Miscellaneous	-	-	-	-
	205,806	205,806	218,855	(13,049)

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
Judicial (cont):				
Magistrate Court:				
Salaries	$ 100,500	$ 100,500	$ 103,672	$ (3,172)
Payroll taxes	7,700	7,700	7,579	121
Group insurance	16,025	16,025	15,774	251
Pension plan contributions	5,000	5,000	4,870	130
Accounting and audit	3,000	3,000	-	3,000
Telephone	2,100	2,100	1,780	320
Memberships and dues	550	550	200	350
Maintenance	500	500	469	31
Postage	1,400	1,400	1,357	43
Travel and seminars	1,500	1,500	888	612
Office supplies	1,100	1,100	1,058	42
Utilities	4,800	4,800	4,665	135
Miscellaneous	-	-	-	-
	144,175	144,175	142,312	1,863
Juvenile Court:				
Salary subsidy	8,748	8,748	8,748	-
Salaries	126,094	126,094	119,475	6,619
Court reporters	10,000	10,000	7,786	2,214
Witness fees	500	500	25	475
Payroll taxes	9,646	9,646	5,246	4,400
Group insurance	13,460	13,460	5,807	7,653
Pension plan contributions	8,000	8,000	2,923	5,077
Court advocate grant	-	-	-	-
Telephone	1,700	1,700	735	965
Memberships and dues	385	385	363	22
Maintenance	201	201	40	161
Postage	161	161	554	(393)
Travel and seminars	2,500	2,500	226	2,274
Office supplies	400	400	1,058	(658)
Utilities	1,600	1,600	1,866	(266)
Workers' compensation	-	-	-	-
Indigent legal	23,000	23,000	20,406	2,594
Juvenile medical	500	500	-	500
Miscellaneous	-	-	300	(300)
	206,895	206,895	175,558	31,337
Coroner				
Salaries	4,410	4,410	4,410	-
Payroll taxes	337	337	338	(1)
Memberships and dues	300	300	300	-
Auto allowance	1,200	1,200	807	393
Travel and seminars	3,000	3,000	4,053	(1,053)

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
Judicial (cont):				
Coroner (cont):				
Supplies	$ -	$ -	$ 655	$ (655)
Investigations	16,215	16,215	14,850	1,365
	25,462	25,462	25,413	49
Public Defender:				
Legal services	124,597	124,597	124,597	-
Telephone	1,900	1,900	1,557	343
Maintenance	-	-	-	-
Postage	1,200	1,200	269	931
Office supplies	2,000	2,000	1,384	616
Utilities	3,000	3,000	3,732	(732)
Miscellaneous	-	-	-	-
	132,697	132,697	131,539	1,158
Total Judicial	1,446,375	1,446,375	1,431,085	15,290
Public Works				
Salaries	680,000	680,000	686,482	(6,482)
Payroll taxes	49,725	49,725	49,055	670
Group insurance	133,000	133,000	136,109	(3,109)
Pension plan contributions	36,000	36,000	35,772	228
Unemployment benefits	-	-	-	-
Telephone	2,500	2,500	4,543	(2,043)
Legal	-	-	-	-
Maintenance - building	-	-	-	-
Maintenance - equipment	71,000	71,000	80,199	(9,199)
Payroll expense	-	-	-	-
Fuel	130,000	130,000	154,389	(24,389)
Office supplies	1,500	1,500	2,990	(1,490)
Paving materials	100,000	100,000	-	100,000
Pipe	10,000	10,000	5,115	4,885
Supplies	10,000	10,000	6,805	3,195
Tires	20,000	20,000	21,789	(1,789)
Uniforms	3,000	3,000	2,512	488
Utilities	11,000	11,000	11,101	(101)
Soil and gravel	170,000	170,000	19,166	150,834
Road damage & repairs	-	-	-	-
Workers' compensation	-	-	-	-
Employee physicals and testing	-	-	-	-
Bridge materials	20,000	20,000	8,802	11,198
Contract costs	130,000	130,000	86,888	43,112
Road signs	3,000	3,000	3,275	(275)
Capital expenditures	-	-	-	-
Miscellaneous	-	-	109	(109)
Total Public Works	1,580,725	1,580,725	1,315,101	265,624

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
Health and Welfare				
Public Health:				
Salary subsidies	$ 135,446	$ 135,446	$ 135,446	$ -
Mental health	90,000	90,000	90,000	-
Ambulance	650,000	650,000	650,000	-
Gasoline & diesel	1,000	1,000	1,271	(271)
	876,446	876,446	876,717	(271)
Public Welfare:				
Salaries and subsidy payments	32,850	32,850	11,952	20,898
Payroll taxes	-	-	-	-
Gasoline	2,000	2,000	3,107	(1,107)
Lamp	3,000	3,000	-	3,000
Nutrition program	10,500	10,500	9,735	765
Miscellaneous	2,000	2,000	2,200	(200)
	50,350	50,350	26,994	23,356
Public Transportation:				
Salaries	92,000	92,000	90,222	1,778
Payroll taxes	7,038	7,038	6,874	164
Group insurance	5,408	5,408	5,434	(26)
Pension plan contributions	3,800	3,800	4,297	(497)
Accounting and audit	800	800	-	800
Telephone	2,900	2,900	2,700	200
Maintenance	-	-	250	(250)
Postage	-	-	135	(135)
Auto allowance	23,000	23,000	27,804	(4,804)
Travel and seminars	200	200	282	(82)
Office supplies	400	400	127	273
Utilities	650	650	496	154
Workers' compensation	-	-	-	-
Employee drug tests & physicals	300	300	80	220
Capital expenditures	-	-	-	-
Miscellaneous	1,000	1,000	448	552
	137,496	137,496	139,149	(1,653)
Sanitation:				
Salaries	181,000	181,000	186,970	(5,970)
Payroll taxes	13,800	13,800	14,001	(201)
Group insurance	13,305	13,305	12,937	368
Pension plan contributions	-	-	-	-
Telephone	2,900	2,900	2,888	12
Maintenance	2,500	2,500	484	2,016
Auto allowance	37,500	37,500	30,758	6,742
Sanitation transfer station fees	240,000	240,000	237,007	2,993
Office supplies	-	-	-	-
Supplies	1,000	1,000	-	1,000
Uniforms	1,000	1,000	2,152	(1,152)

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
Health and Welfare (cont.)				
Sanitation (cont)				
Utilities	$ 3,500	$ 3,500	$ 3,446	$ 54
Soil and gravel	2,000	2,000	-	2,000
Convenience center	1,300	1,300	1,481	(181)
Workers' compensation	-	-	2,010	(2,010)
Employee physicals	100	100	-	100
Capital expenditures	-	-	-	-
	499,905	499,905	494,134	5,771
Animal Control:				
Salaries	118,300	118,300	102,320	15,980
Payroll taxes	9,050	9,050	6,992	2,058
Group insurance	17,150	17,150	16,426	724
Pension plan contributions	6,000	6,000	6,075	(75)
Chemicals	4,000	4,000	1,929	2,071
Telephone	3,500	3,500	2,284	1,216
Maintenance	2,000	2,000	851	1,149
Animal maintenance	4,000	4,000	2,744	1,256
Postage	300	300	324	(24)
Auto allowance	8,700	8,700	8,130	570
Supplies	2,000	2,000	826	1,174
Office supplies	500	500	348	152
Uniforms	500	500	270	230
Utilities	12,500	12,500	14,369	(1,869)
Animal control equipment	500	500	215	285
Employee physicals & testing	500	500	35	465
Miscellaneous	1,500	1,500	418	1,082
Capital expenditures	-	-	-	-
	191,000	191,000	164,556	26,444
Total Health and Welfare	1,755,197	1,755,197	1,701,550	53,647
Recreation and Culture				
Recreation				
Salaries	106,720	106,720	105,864	856
County-wide youth programs	10,000	10,000	11,220	(1,220)
Historical society	15,000	15,000	15,000	-
Payroll taxes	1,511	1,511	8,021	(6,510)
Group insurance	10,960	10,960	10,792	168
Pension plan contributions	2,600	2,600	2,781	(181)
Officiating fees	14,000	14,000	10,690	3,310
Concessions	10,000	10,000	7,400	2,600
Telephone	2,400	2,400	3,582	(1,182)
Uniforms	20,000	20,000	22,786	(2,786)
Miscellaneous	2,000	2,000	(1,966)	3,966

HARALSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
Recreation and Culture (cont):				
Recreation (cont):				
Memberships and dues	$ 535	$ 535	$ 525	$ 10
Maintenance	4,100	4,100	4,701	(601)
Auto allowance	5,700	5,700	8,294	(2,594)
Travel and seminars	300	300	67	233
Office supplies	625	625	1,324	(699)
Supplies	-	-	1,600	(1,600)
Utilities	35,000	35,000	39,458	(4,458)
Field maintenance	3,000	3,000	2,795	205
Employee physicals & drug testing	-	-	126	(126)
Capital expenditures	-	-	-	-
	244,451	244,451	255,060	(10,609)
Library				
Buchanan library subsidy	15,000	15,000	15,000	-
Regional library subsidy	4,200	4,200	4,200	-
	19,200	19,200	19,200	-
Total Recreation and Cultural	263,651	263,651	274,260	(10,609)
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service	-	-	-	-
Total expenditures	11,703,492	11,703,492	12,341,451	(637,959)
Excess (deficiency) of revenues over expenditures	420,971	420,971	380,914	1,695,343
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(302,280)	(302,280)	(382,032)	(79,752)
Total other financing sources	(302,280)	(302,280)	(382,032)	(79,752)
Net change in fund balance	118,691	118,691	(1,118)	1,615,591
Fund balance, beginning	1,531,265	1,531,265	1,531,265	-
Fund balance, ending	$ 1,649,956	$ 1,649,956	$ 1,530,147	$ 1,615,591

See accompanying notes.

HARALSON COUNTY, GEORGIA
DRUG TASK FORCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental:				
Grant	$ -	$ -	$ 206,768	$ 206,768
Paulding County, Georgia	-	-	28,875	28,875
Courts and law enforcement:	-			
Forfeitures	-	-	143,737	143,737
Miscellaneous	-	-	9,303	9,303
Interest	-	-	498	498
Total revenues	-	-	389,181	389,181
Expenditures:				
Public Safety:				
Salaries	-	-	73,958	(73,958)
Maintenance	-	-	16,190	(16,190)
Equipment	-	-	-	-
Supplies	-	-	44,120	(44,120)
Telephone	-	-	23,514	(23,514)
Uniforms	-	-	-	-
Utilities	-	-	8,006	(8,006)
Rent	-	-	6,600	(6,600)
Training and travel	-	-	21,032	(21,032)
Small equipment	-	-	51,124	(51,124)
Office supplies	-	-	-	-
Investigations	-	-	37,789	(37,789)
Forfeited property payments	-	-	27,942	(27,942)
Vehicle purchase	-	-	101,370	(101,370)
Miscellaneous	-	-	1,356	(1,356)
Intergovernmental				
Salaries	-	-	73,958	(73,958)
Total expenditures	-	-	486,959	(486,959)
Deficiency of revenues over expenditures	-	-	(97,778)	(97,778)
Other financing sources (uses):				
Transfers in	-	-	28,875	28,875
Excess of revenues and other financing sources over expenditures and other financing uses	-	-	(68,903)	(68,903)
Fund balances, beginning	201,995	201,995	201,995	-
Fund balances, ending	$ 201,995	$ 201,995	$ 133,092	$ (68,903)

See accompanying notes.

Notes to Required Supplementary Information

An annual budget is prepared for the General Fund based on requests made by various department heads. The budget includes proposed expenditures and the means of financing them. Prior to the budget being legally enacted through passage of an ordinance, public hearings are held to obtain taxpayer comments. The budget is prepared on the modified accrual basis of accounting which is the basis of accounting utilized by the General Fund. The County does not use an encumbrance system which records commitments related to unperformed contracts for goods and services.

Annual budgets are prepared for the special revenue funds and project-length budgets are prepared for capital project funds. The budgets were not amended during the year.

The general fund expenditures exceeded budgeted appropriations by $666,834. The following department's expenditures exceeded its budgeted appropriations by three percent or more:

	Budget	**Actual**	**Difference**
General County Government	579,028	704,214	125,186
Tax Assessors	309,629	366,634	57,005
Tax Commissioner	235,050	244,247	9,197
County Buildings	68,960	81,852	12,892
West Georgia Boot Camp	44,955	46,797	1,842
Law Enforcement	1,435,850	1,708,587	272,737
Jail Operations	1,256,145	1,652,882	396,737
Fire Department	1,534,055	1,629,852	95,797
Emergency Management	71,039	91,241	20,202
Courthouse Security	84,459	102,731	18,272
Probation Department	98,675	109,590	10,915
Clerk, Superior Court	328,575	353,934	25,359
Probate Court	205,806	218,855	13,049
Recreation	244,451	255,060	10,609

OTHER SUPPLEMENTARY INFORMATION

HARALSON COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2011

	Law Library Fund	Sheriff's Forfeiture Fund	District Attorney's Victim Witness Fund	County Jail Fund	Special Law Enforcement Grant Fund
Assets:					
Cash and cash equivalents	$ 10,663	$ 665	$ 76,396	$ 112,174	$ 718
Accounts receivable	-	-	-	6,280	-
Due from other funds	-	-	-	18,310	-
Total assets	$ 10,663	$ 665	$ 76,396	$ 136,764	$ 718
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	526	-
Total liabilities	-	-	-	526	-
Fund balances:					
Nonspendable:					
Reserved for inventory	-	-	-	-	-
Restricted for:					
Grant purposes	-	-	-	-	718
Judicial	10,663	-	76,396	-	-
Public saftety	-	665	-	136,238	-
Culture and recreation	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Committed for:	-	-	-	-	-
Assigned for:	-	-	-	-	-
Unassigned:	-	-	-	-	-
Total fund balances	10,663	665	76,396	136,238	718
Total liabilities and fund balance	$ 10,663	$ 665	$ 76,396	$ 136,764	$ 718

HARALSON COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2011

E-911 Surcharge Fund	Juvenile Court Supervision Fund	Employment Incentive Program Fund	Probations Fund	Drug Abuse Treatment Fund	Special Recreation Fund	Total Nonmajor Special Revenue Funds
$ 12,575	$ 10,193	$ 192,120	$ 12,456	$ 2,828	$ 940	$ 431,728
75,442	380	381,788	-	19,052	-	482,942
-	926	-	-	-	-	19,236
$ 88,017	$ 11,499	$ 573,908	$ 12,456	$ 21,880	$ 940	$ 933,906
$ -	$ -	$ -	$ -	$ -	$ -	$ -
19,882	-	-	-	-	-	19,882
31,796	-	-	-	-	-	32,322
51,678	-	-	-	-	-	52,204
-	-	-	-	-	-	$ -
-	-	573,908	-	-	-	574,626
-	11,499	-	12,456	-	-	111,014
36,339	-	-	-	21,880		195,122
-	-	-	-	-	940	940
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
36,339	11,499	573,908	12,456	21,880	940	881,702
$ 88,017	$ 11,499	$ 573,908	$ 12,456	$ 21,880	$ 940	$ 933,906

HARALSON COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2011

	Law Library Fund	Sheriff's Forfeiture Fund	District Attorney's Victim Witness Fund	County Jail Fund	Special Law Enforcement Grant Fund
Revenues:					
Charges for services	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	16,952	635	-	56,979	-
Intergovernmental	-	-	-	-	-
Use of money and property	12	-	159	-	-
Miscellaneous	-	-	-	-	3,655
Total revenues	16,964	635	159	56,979	3,655
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	3,132	-	25,212	11,956
Judicial	18,565	-	4,478	-	-
Recreation and culture	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total expenditures	18,565	3,132	4,478	25,212	11,956
Excess (deficiency) of revenues over expenditures	(1,601)	(2,497)	(4,319)	31,767	(8,301)
Other financing sources (uses):					
Lease proceeds	-	-	-	-	-
Transfers from component unit	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
	-	-	-	-	-
Net change in fund balances	(1,601)	(2,497)	(4,319)	31,767	(8,301)
Fund balances, beginning	12,264	3,162	80,715	104,471	9,019
Fund balances, ending	$ 10,663	$ 665	$ 76,396	$ 136,238	$ 718

HARALSON COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2011

E-911 Surcharge Fund	Juvenile Court Supervision Fund	Employment Incentive Program Fund	Probations Fund	Drug Abuse Treatment Fund	Special Recreation Fund	Total Nonmajor Special Revenue Funds
$ 483,755	$ -	$ -	$ -	$ -	$ -	$ 483,755
-	-	-	-	2,184	-	76,750
-	-	-	-	-	-	-
7	11	13,440	-	7	-	13,636
-	-	-	164,452	-	300	168,407
483,762	11	13,440	164,452	2,191	300	742,548
-	-	-	-	-	-	-
838,843	-	-	-	-	-	879,143
-	100	-	165,529	448	-	189,120
-	-	-	-	-	1,758	1,758
-	-	-	-	-	-	-
838,843	100	-	165,529	448	1,758	1,070,021
(355,081)	(89)	13,440	(1,077)	1,743	(1,458)	(327,473)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
353,157	-	-	-	-	-	353,157
-	-	-	-	-	-	-
353,157	-	-	-	-	-	353,157
(1,924)	(89)	13,440	(1,077)	1,743	(1,458)	25,684
38,263	11,588	560,468	13,533	20,137	2,398	856,018
$ 36,339	$ 11,499	$ 573,908	$ 12,456	$ 21,880	$ 940	$ 881,702

HARALSON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2011

	Tax Commissioner	Clerk of Superior Court	Sheriff	Probate Court	Magistrate Court	Total
Assets:						
Cash and cash equivalents	$ 299,038	$ 1,270,168	$ 10,416	$ 13,636	$ 19,015	$ 1,612,273
Receivable (net of allowance for uncollectible):						
Property taxes	1,264,156	-	-	-	-	1,264,156
Total assets	$ 1,563,194	$ 1,270,168	$ 10,416	$ 13,636	$ 19,015	$ 2,876,429
Liabilities and Fund Balance						
Liabilities:						
Due to other governments/others	$ 1,563,194	$ 1,270,168	$ 10,416	$ 13,636	$ 19,015	$ 2,876,429
Total liabilities	$ 1,563,194	$ 1,270,168	$ 10,416	$ 13,636	$ 19,015	$ 2,876,429

HARALSON COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Fines and forfeitures	$ -	$ -	$ 16,952	$ 16,952
Use of money and property	-	-	12	12
Total revenues	-	-	16,964	16,964
Expenditures:				
Current:				
Judicial	-	-	18,565	(18,565)
Total expenditures	-	-	18,565	(18,565)
Excess (deficiency) of revenues over expenditures	-	-	(1,601)	(1,601)
Fund balances, beginning	12,264	12,264	12,264	12,264
Fund balances, ending	$ 12,264	$ 12,264	$ 10,663	$ 10,663

HARALSON COUNTY, GEORGIA
SHERIFF'S FORFEITURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Fines and forfeitures	$ -	$ -	$ 635	$ 635
Use of money and property	-	-	-	-
Total revenues	-	-	635	635
Expenditures:				
Current:				
Public safety	-	-	3,132	(3,132)
Total expenditures	-	-	3,132	(3,132)
Excess (deficiency) of revenues over expenditures	-	-	(2,497)	(2,497)
Other financing sources (uses):				
Transfers in	-	-	-	-
Net change in fund balance	-	-	(2,497)	(2,497)
Fund balances, beginning	3,162	3,162	3,162	3,162
Fund balances, ending	$ 3,162	$ 3,162	$ 665	$ 665

HARALSON COUNTY, GEORGIA
DISTRICT ATTORNEY VICTIM WITNESS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Fines and forfeitures	$ -	$ -	$ -	$ -
Use of money and property	-	-	159	159
Total revenues	-	-	159	159
Expenditures:				
Current:				
Judicial	-	-	4,478	(4,478)
Total expenditures	-	-	4,478	(4,478)
Excess (deficiency) of revenues over expenditures	-	-	(4,319)	(4,319)
Fund balances, beginning	80,715	80,715	80,715	80,715
Fund balances, ending	$ 80,715	$ 80,715	$ 76,396	$ 76,396

HARALSON COUNTY, GEORGIA
COUNTY JAIL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Fines and forfeitures	$ -	$ -	$ 56,979	$ 56,979
Total revenues	-	-	56,979	56,979
Expenditures:				
Current:				
Public safety	-	-	25,212	(25,212)
Capital Outlay:				
Public safety	-	-	-	-
Total expenditures	-	-	25,212	(25,212)
Excess (deficiency) of revenues over expenditures	-	-	31,767	31,767
Other financing sources (uses):				
Transfers out	-	-	-	-
Fund balances, beginning	104,471	104,471	104,471	104,471
Fund balances, ending	$ 104,471	$ 104,471	$ 136,238	$ 136,238

HARALSON COUNTY, GEORGIA
SPECIAL LAW ENFORCEMENT GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Miscellaneous	$ -	$ -	$ 3,655	$ 3,655
Total revenues	-	-	3,655	3,655
Expenditures:				
Current:				
Public safety	-	-	11,956	(11,956)
Total expenditures	-	-	11,956	(11,956)
Excess (deficiency) of revenues over expenditures	-	-	(8,301)	(8,301)
Other financing sources (uses):				
Transfers In	-	-	-	-
Net Change In Fund Balance	-	-	(8,301)	(8,301)
Fund balances, beginning	9,019	9,019	9,019	9,019
Fund balances, ending	$ 9,019	$ 9,019	$ 718	$ 718

HARALSON COUNTY, GEORGIA
E-911 SURCHARGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Charges for services	$ 496,000	$ 496,000	$ 483,755	$ (12,245)
Use of money and property	-	-	7	7
Total revenues	496,000	496,000	483,762	(12,238)
Expenditures:				
Current:				
Public safety	798,280	798,280	838,843	(40,563)
Total expenditures	798,280	798,280	838,843	(40,563)
Excess (deficiency) of revenues over expenditures	(302,280)	(302,280)	(355,081)	(52,801)
Other financing sources (uses):				
Transfers in	-	-	353,157	353,157
Fund balances, beginning	38,263	38,263	38,263	38,263
Fund balances, ending	$ (264,017)	$ (264,017)	$ 36,339	$ 338,619

HARALSON COUNTY, GEORGIA
JUVENILE COURT SUPERVISION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Fines and forfeitures	$ -	$ -	$ -	$ -
Use of money and property	-	-	11	11
Total revenues	-	-	11	11
Expenditures:				
Current:				
Judicial	-	-	100	(100)
Total expenditures	-	-	100	(100)
Excess (deficiency) of revenues over expenditures	-	-	(89)	(89)
Fund balances, beginning	11,588	11,588	11,588	11,588
Fund balances, ending	$ 11,588	$ 11,588	$ 11,499	$ 11,499

HARALSON COUNTY, GEORGIA
EMPLOYMENT INCENTIVE PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Use of money and property	-	-	13,440	13,440
Total revenues	-	-	13,440	13,440
Expenditures:				
Current:				
Economic development	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	13,440	13,440
Other financing sources (uses):				
Transfers from component unit	-	-	-	-
Net change in fund balance	-	-	13,440	13,440
Fund balances, beginning - as restated	560,468	560,468	560,468	560,468
Fund balances, ending	$ 560,468	$ 560,468	$ 573,908	$ 573,908

See accompanying notes.

HARALSON COUNTY, GEORGIA
PROBATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Regular Revenues	$ -	$ -	$ 164,452	$ 164,452
Use of money and property	-	-	-	-
Total revenues	-	-	164,452	164,452
Expenditures:				
Current:				
Judicial	-	-	165,529	(165,529)
Total expenditures	-	-	165,529	(165,529)
Excess (deficiency) of revenues over expenditures	-	-	(1,077)	(1,077)
Fund balances, beginning	13,533	13,533	13,533	13,533
Fund balances, ending	$ 13,533	$ 13,533	$ 12,456	$ 12,456

HARALSON COUNTY, GEORGIA
DRUG ABUSE TREATMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Fines and forfeitures	$ -	$ -	$ 2,184	$ 2,184
Use of money and property	-	-	7	7
Total revenues	-	-	2,191	2,191
Expenditures:				
Current:				
Judicial	-	-	448	(448)
Total expenditures	-	-	448	(448)
Excess (deficiency) of revenues over expenditures	-	-	1,743	1,743
Fund balances, beginning	20,137	20,137	20,137	20,137
Fund balances, ending	$ 20,137	$ 20,137	$ 21,880	$ 21,880

HARALSON COUNTY, GEORGIA
SPECIAL RECREATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Miscellaneous	$ -	$ -	$ 300	$ 300
Total revenues	-	-	300	300
Expenditures:				
Current:				
Recreation and culture	-	-	1,758	(1,758)
Total expenditures	-	-	1,758	(1,758)
Excess (deficiency) of revenues over expenditures	-	-	(1,458)	(1,458)
Fund balances, beginning	2,398	2,398	2,398	2,398
Fund balances, ending	$ 2,398	$ 2,398	$ 940	$ 940

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ROBINSON, ROWLAND & CO., P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE SALES TAX PROCEEDS

To the Board of Commissioners
Haralson County, Georgia

We have audited the accompanying Schedule of Projects Constructed with Special Sales Tax Proceeds of Haralson County, Georgia for the year ended June 30, 2011. This schedule is the responsibility of Haralson County, Georgia's management. Our responsibility is to express an opinion on this schedule based on our audit.

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 of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Projects Constructed with Special Sales Tax Proceeds is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Projects Constructed with Special Sales Tax Proceeds. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Projects Constructed with Special Sales Tax Proceeds. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Projects Constructed with Special Sales Tax Proceeds was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 and is not intended to be a complete presentation of Haralson County, Georgia's revenues and expenditures.

In our opinion, the Schedule of Projects Constructed with Special Sales Tax Proceeds referred to above presents fairly, in all material respects, the estimated cost, the current year estimated cost, and the current and prior year expenditures for each project in Haralson County, Georgia's resolution calling for the tax for the year ended June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

Robinson, Rowland & Co., P.C.

Carrollton, Georgia
December 23, 2011

103 Rejen Drive, Carrollton, GA 30117
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HARALSON COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH

SPECIAL PURPOSE LOCAL OPTION SALES AND USE TAX PROCEEDS

For the Year Ended June 30, 2011

SPLOST IV

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Gymnasium	$ 800,000	$ 1,681,011	$ 1,681,011	$ -	$ 1,681,011
Other recreation facilities	915,156	452,532	450,349	2,183	452,532
Courthouse capital improvements	910,282	589,791	585,259	4,532	589,791
Road and bridge improvements	1,256,702	1,784,328	1,765,038	19,290	1,784,328
Water improvements	2,979,657	3,377,319	3,176,704	200,615	3,377,319
800 MHz radio system	400,000	473,962	416,512	57,450	473,962
E-911 Center	1,500,000	2,189,170	2,189,170	-	2,189,170
E-911 vehicle	12,000	12,000	12,000	-	12,000
Fire truck	255,715	628,386	628,386	-	628,386
Fire department - Station 7 repairs	40,000	44,325	44,325	-	44,325
Fire department - Station 10	250,000	605,906	605,906	-	605,906
Fire department - Station 12	200,000	-	-	-	-
Mental Health building & equipment	167,115	89,632	89,632	-	89,632
Animal Shelter building & equipment	552,222	607,603	607,603	-	607,603
GPS-Mapping System	300,045	334,566	334,566	-	334,566
Copiers	41,102	179,718	163,555	16,163	179,718
Computers	11,531	12,282	12,282	-	12,282
Sheriff vehicles	526,784	355,017	355,017	-	355,017
Historic Courthouse	5,058	5,058	5,058	-	5,058
District Attorney building	5,225	19,422	19,422	-	19,422
	$ 11,128,594	$ 13,442,028	$ 13,141,795	$ 300,233	$ 13,442,028
Bremen Projects	$ 2,643,703	$ 2,643,703	$ 3,021,553	$ 108,348	$ 3,129,901
Buchanan Projects	882,475	882,475	841,753	70,273	912,026
Tallapoosa Projects	1,766,652	1,766,652	1,401,574	339,492	1,741,066
Waco Projects	163,326	163,326	534,658	19	534,677
Haralson County Water Authority	-	-	-	75,432	75,432
	$ 5,456,156	$ 5,456,156	$ 5,799,538	$ 593,564	$ 6,393,102

SPLOST V

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Senior center project	$ 500,000	$ 500,000	$ -	$ -	$ -
Road and bridge improvements	3,380,830	3,380,830	358,984	574,075	933,059
Recreation project	1,800,000	1,800,000	18,984	50,144	69,128
Public safety project	2,550,000	2,550,000	175,261	204,970	380,231
Government improvement project	4,150,000	4,150,000	126,929	68,123	195,052
Water project	7,400,000	7,400,000	50,027	224,369	274,396
	$ 19,780,830	$ 19,780,830	$ 730,185	$ 1,121,681	$ 1,851,866
Bremen Projects	$ 2,693,376	$ 2,693,376	$ 498,442	$ 727,879	$ 1,226,321
Buchanan Projects	123,133	123,133	6,907	143,947	150,854
Tallapoosa Projects	3,475,000	3,475,000	-	459,838	459,838
Waco Projects	-	-	4,763	64,705	69,468
Haralson County Water Authority	-	-	-	971,496	971,496
	$ 6,291,509	$ 6,291,509	$ 510,112	$ 2,367,865	$ 2,877,977

See accompanying notes.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
of Haralson County, Georgia
Buchanan, Georgia

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haralson County, Georgia, as of and for the year ended June 30, 2011, which collectively comprise Haralson County, Georgia's basic financial statements and have issued our report thereon dated December 23, 2011. 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 Haralson County Health Department, a discretely presented component unit of the County, as described in our report on Haralson County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Haralson 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 Haralson County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Haralson 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items 11-1 and 11-2 that we consider to be significant deficiencies in internal control over financial reporting. 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 Haralson County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 11-3 through 11-6.

We noted certain matters that we reported to management of Haralson County, Georgia, in a separate letter dated December 23, 2011.

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.

Robinson, Rowland & Co., P.C.

Carrollton, Georgia
December 23, 2011

Schedule of Findings and Questioned Costs

A. SUMMARY OF AUDIT RESULTS:

1. The auditor's report expresses an unqualified opinion on the financial statements of Haralson County, Georgia.

2. Two reportable conditions related to the audit of the financial statements are reported in the 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*, and are included in the Schedule of Findings and Questioned Costs as items 11-1 and 11-2. These reportable conditions are not deemed to be material weaknesses.

3. Four instances of noncompliance relating to the audit of the financial statements of the Haralson County, Georgia are reported in the 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* and are included in the Schedule of Findings and Questioned Costs as items 11-3 through 11-6.

B. FINDINGS: FINANCIAL STATEMENT AUDIT

11-1 Segregation of Duties

Condition: **This was reported as a prior year finding as well.** There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions within various County departments.

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

Effect: Failure to periodically segregate duties between recording, distribution, and reconciliation of cash accounts can lead to the misappropriation of funds without such actions being detected during the normal course of business.

Recommendation: The duties of recording, distribution, and reconciliation of cash accounts should be segregated between employees.

11-2 Fixed Asset Accountability

Condition: **This was reported as a prior year finding as well.** During the year ended June 30, 2011, it was noted the County did not maintain a fixed asset listing and therefore its general ledger was not updated for fixed asset additions and depreciation expense.

Criteria: Procedures are not in place to properly account for fixed asset additions and disposals.

Effect: Failure to properly account for fixed asset additions & disposals as well as depreciation expense of those assets could lead to misstatement of financial information and misappropriation of assets.

Recommendation: A fixed asset schedule should be maintained for inventory and accounting purposes.

11-3 Budget Adoption

Condition: **This was reported as a prior year finding as well.** For the year ended June 30, 2011, the County adopted no budget for expenditures within various special revenue funds, and charged expenditures to line items in which no budgetary approval was performed.

Criteria: The Official Code of Georgia (OCGA) Section 36-81-2 through 36-81-6 requires that an annual budget be adopted for the general fund; each special revenue fund and each debt service fund, and requires a project length budget for each capital projects fund.

Effect: Failure to adopt such budgets places the County within violation of state law, and impedes management's ability to oversee the fiscal use and control of these funds.

Recommendation: The County should adopt an annual budget for all funds in accordance with state law using data derived from existing fund balances and anticipated revenues and expenditures throughout the fiscal year.

11-4 Budget Expenditures

Condition: **This was reported as a prior year finding as well.** For the year ended June 30, 2011, thirteen departments within the County government had over-expended their budgets for the fiscal year.

Criteria: The Official Code of Georgia (OCGA) Section 36-81-3 requires that governments maintain a balanced budget.

Effect: Failure to stay within prescribed budgets places the County within violation of state law, and impedes management's ability to oversee the fiscal use and control of these funds.

Recommendation: The County should communicate with all department heads the necessity to stay within prescribed budgets and should periodically analyze and review budget status with

department heads. If additional funds are needed, department heads should submit the appropriate request to the Board for approval.

11-5 Budget Amendments

Condition: **This was reported as a prior year finding as well.** For the year ended June 30, 2011, the County did not amend the annual budget as necessary to adapt to changes in governmental needs during the fiscal year.

Criteria: Controls are not in place to prevent excess appropriation of funds and maintaining operations under a balanced budget.

Effect: Failure to periodically review and amend appropriations throughout the year places an adverse effect on management's ability to meet cash flow requirements during the course of the year.

Recommendation: As prescribed by OCGA 36-81-3, the Board of Commissioners should approve and adopt amendments at the legal level of control through a change in anticipated revenues in any fund or a transfer of appropriations within departments to adapt to changing governmental needs during the fiscal year. All requests for transfer of appropriations should be documented and department officials maintain their fiscal budgetary responsibility at the legal level of control.

11-6 SPLOST Expenditures

Condition: During the year ended June 30, 2011, SPLOST proceeds were used for items not considered capital outlay projects as defined in Official Code of Georgia 48-8-110.

Criteria: Expenditures funded with SPLOST proceeds are governed by a resolution passed by a vote of the citizens of Haralson County and the Official Code of Georgia. Under state law SPLOST proceeds may only be used to fund capital outlay projects.

Effect: Failure to appropriately expend SPLOST proceeds is in violation of the Official Code of Georgia Title 48 and can result in the revocation of the tax.

Recommendation: SPLOST proceeds should only be used to finance capital outlay projects as defined by OCGA 48-8-110.

C. STATUS OF PRIOR YEAR FINDINGS: FINANCIAL STATEMENT AUDIT

10-1 Segregation of Duties

Condition: There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions within various County departments.

Status: **This remains a finding for fiscal year 2011. See 11-1.**

10-2 Budget Adoption

Condition: For the year ended June 30, 2010, the County adopted no budget for expenditures within various special revenue funds, and charged expenditures to line items in which no budgetary approval was performed.

Status: **This remains a finding for fiscal year 2011. See 11-3.**

10-3 Budget Expenditures

Condition: For the year ended June 30, 2010, twelve departments within the County government had over-expended their budgets for the fiscal year.

Status: **This remains a finding for fiscal year 2011. See 11-4.**

10-4 Budget Amendments

Condition: In fiscal year 2010, the County did not amend the annual budget to adapt to changes in governmental needs during the fiscal year.

Status: **This remains a finding for fiscal year 2011. See 11-5.**

10-5 Fixed Asset Accountability

Condition: During the year ended June 30, 2010, it was noted the County did not maintain a fixed asset listing and therefore its general ledger was not updated for fixed asset additions and depreciation expense.

Status: **This remains a finding for fiscal year 2011. See 11-2.**