JASPER COUNTY, GEORGIA

AUDIT REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2010

JASPER COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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JASPER COUNTY, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Jasper County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jasper County, Georgia as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jasper 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 Jasper County Board of Health, and Development Authority of Jasper County, which represent 71 percent, 86 percent, and 44 percent, respectively, of the assets, net assets, and revenues of the component units of Jasper County, Georgia. Those financial statements 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 Jasper County Board of Health, and Development Authority of Jasper County, 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jasper County, Georgia as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2011, on our consideration of Jasper County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and schedule of funding progress information on page 3 through 13 and page 52 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jasper County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, and is also not a required part of the basic financial statements of Jasper County, Georgia. The combining and individual nonmajor fund financial statements and schedules, the schedule of projects constructed with special sales tax proceeds, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Macon, Georgia
June 17, 2011

MANAGEMENT'S DISCUSSION & ANALYSIS

Management's Discussion and Analysis of Jasper County provides a narrative review and explanation of the Government's financial activities for the fiscal year ended December 31, 2010. The analysis provides summary financial information for Jasper County as a whole and should be read in conjunction with the Government's financial statements to fully understand Jasper County's performance.

FINANCIAL HIGHLIGHTS

Government-Wide

- The County's total of net assets were $9.8 million for governmental and business-type activities. This is very comparable to last year (2009) at $9.9 million (restated) with a decrease of $99 thousand.

- Total combined revenues for governmental and business-type activities was $10.8 million. The Government-Wide program revenues were $3 million and general revenues were $7.8 million.

Fund Level Financials

- Jasper County closed 2010 with a governmental fund balance of $4.4 million. This reflects a fund balance of $803 thousand for the Special Purpose Local Option Sales Tax (SPLOST) Fund, Non-major Governmental Funds of $185 thousand and $3.4 million for the General Fund, which is a total decrease in fund balance of $134 thousand. General Fund increased fund balance by $131 thousand, while most of the decrease represents completion of SPLOST projects using $264 thousand of fund balance.

- Business-type activities generated operating revenues of $861 thousand for 2010. This consisted of $111 thousand for Landfill and $750 thousand for Curbside. Operating expenses for the same period were $305 thousand for Landfill and $722 thousand for Curbside.

Using this Annual Report

The Management Discussion and Analysis serves as an introduction to Jasper County Government's financial statements, which includes both government-wide and fund statements, as well as notes in the financial statements. The Statement of Net Assets and the Statement of Activities provide information about Jasper County as a government and present a long-term outlook of the County's finances. Fund financial statements also report the County's operation in more detail than the government-wide statements. The remaining financial statements provide information about activities for which the County acts solely as a trustee or agent.

Government-Wide Financial Statements

Government-wide financial statements provide an overview of the financial position of Jasper County. They include a Statement of Net Assets and a Statement of Activities. Emphasis is placed on the net assets of governmental and business-type activities as well as the change in net assets. Property taxes, sales taxes, other taxes, grant funding, fines, fees, and charges for services primarily support governmental activities. In contrast, user fees primarily support business-type activities.

In the Statement of Net Assets and the Statement of Activities, Jasper County's activities are divided into two types:

Governmental activities reported in the statements include the following core functions: General Government, Public Safety, Public Works, Judicial, Health and Welfare, Culture and Recreation, Intergovernmental, Debt Principal and Interest, and Capital Outlay.

Business-type activities of Jasper County include the following: Landfill and Curbside

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Jasper County uses fund accounting to ensure and demonstrate compliance with legal requirements. The fund financial statements provide detailed information about the most significant funds. Jasper County, however, establishes many other funds to help control and manage financial activities for particular purposes, such as 2005 SPLOST Capital Projects Funds. All funds of Jasper County government can be divided into four categories: governmental, proprietary, fiduciary funds, and component units.

Governmental Funds

The primary revenue sources for these funds are property taxes, sales taxes, fines, regulatory fees, other miscellaneous fees, and investment income. The county has three governmental fund types: General Fund, Special Revenue Fund, and Capital Projects Fund.

Proprietary Funds

The revenue sources for these business-type governmental enterprises are received from the sale of products and services. Funds in this category are Landfill and Curbside.

Fiduciary Funds

In this fund, Jasper County serves as trustee or agent for other governmental entities, individuals, and other funds. The county is responsible for ensuring that these assets are used only for the specific intended use. Fiduciary Funds are as follows:

Tax Commissioner's Office	**Superior Court**
Probate Court	**Magistrate Court**
Sheriff's Office	

Component Units

The Jasper County Health Department, Jasper County Joint 911 Authority, and Development Authority of Jasper County are classified as component units due to their unique relationship to the local governing authority. Financial statements provided by component units reflect their most recent available audited statements.

Governmental-Wide Financials Analysis

Net Assets

Jasper County's combined net assets were very similar to 2009, $9.9 million (restated) for 2009 compared to $9.8 million for FY2010, with no significant increase other than the net affect of operation. The analysis below focuses on the net assets (Exhibits A) and changes in net assets (Exhibit B) of Jasper County's governmental and business-type activities.

Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets:						
Current and Other Assets	$ 5,703,978	$ 5,552,719	$ 802,294	$ 936,661	$ 6,506,272	$ 6,489,380
Capital Assets	5,228,896	4,772,320	13,862	21,966	5,242,758	4,794,286
Total Assets	10,932,874	10,325,039	816,156	958,627	11,749,030	11,283,666
Liabilities:						
Long-Term Debt	513,950	204,676	313,059	289,581	827,009	494,257
Other Liabilities	413,320	610,975	674,372	674,795	1,087,692	1,285,770
Total Liabilities	927,270	815,651	987,431	964,376	1,914,701	1,780,027
Net Assets						
Invested in Capital Assets Net of related Debt	4,554,217	4,482,402	13,862	21,966	4,568,079	4,504,368
Restricted	988,882	1,253,304	-	-	988,882	1,253,304
Unrestricted	4,462,505	3,773,682	(185,137)	(27,715)	4,277,368	3,745,967
Total Net Assets/(Deficit)	$ 10,005,604	$ 9,509,388	$ (171,275)	$ (5,749)	$ 9,834,329	$ 9,503,639

Net assets of Jasper County's governmental activities increased by 1% or $67 thousand in 2010 ($10 million in 2010 versus $9.9 million (restated) in 2009). Unrestricted net assets, the portion of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or legal requirements, totaled $4.5 million of governmental activities at December 31, 2010.

The net deficit of business-type activities increased by $166 thousand ($171 thousand in 2010 compared to $6 thousand in 2009).

Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total Change in Net Assets	
	2010	2009	2010	2009	2010	2009
Revenues						
Charges for Services	$ 1,292,990	$ 1,047,806	$ 861,331	$ 681,629	$ 2,154,321	$ 1,729,435
Operating Grants and Contributions	762,218	314,526	-	-	762,218	314,526
Capital Grants and Contributions	132,303	33,936	-	-	132,303	33,936
Taxes	7,630,742	8,100,160	-	-	7,630,742	8,100,160
Interest earnings	17,931	30,901	59	38	17,990	30,939
Other Revenues	149,781	84,963	-	-	149,781	84,963
Total Revenues	**9,985,965**	**9,612,292**	**861,390**	**681,667**	**10,847,355**	**10,293,959**
Program Expenditures/Expenses						
General Government	2,086,304	2,523,965	-	-	2,086,304	2,523,965
Public Safety	2,570,151	2,779,303	-	-	2,570,151	2,779,303
Public Works	2,698,638	1,396,475	-	-	2,698,638	1,396,475
Judicial	850,953	834,797	-	-	850,953	834,797
Health and Welfare	1,431,083	1,192,348	-	-	1,431,083	1,192,348
Culture and Recreation	237,793	425,036	-	-	237,793	425,036
Interest and fiscal charges	44,463	26,311	-	-	44,463	26,311
Landfill	-	-	304,568	130,277	304,568	130,277
Curbside	-	-	722,348	691,919	722,348	691,919
Total Expenses	**9,919,385**	**9,178,235**	**1,026,916**	**822,196**	**10,946,301**	**10,000,431**
Change in Net Assets	**66,580**	**434,057**	**(165,526)**	**(140,529)**	**(98,946)**	**293,528**
Transfers	-	(60,869)	-	60,869	-	-
Change in Net Assets	**66,580**	**373,188**	**(165,526)**	**(79,660)**	**(98,946)**	**293,528**
Net Assets/(Deficit) - Beginning of year, restated	9,939,024	9,136,200	(5,749)	73,911	9,933,275	9,210,111
Ending Net Assets	**$ 10,005,604**	**$ 9,509,388**	**$ (171,275)**	**$ (5,749)**	**$ 9,834,329**	**$ 9,503,639**

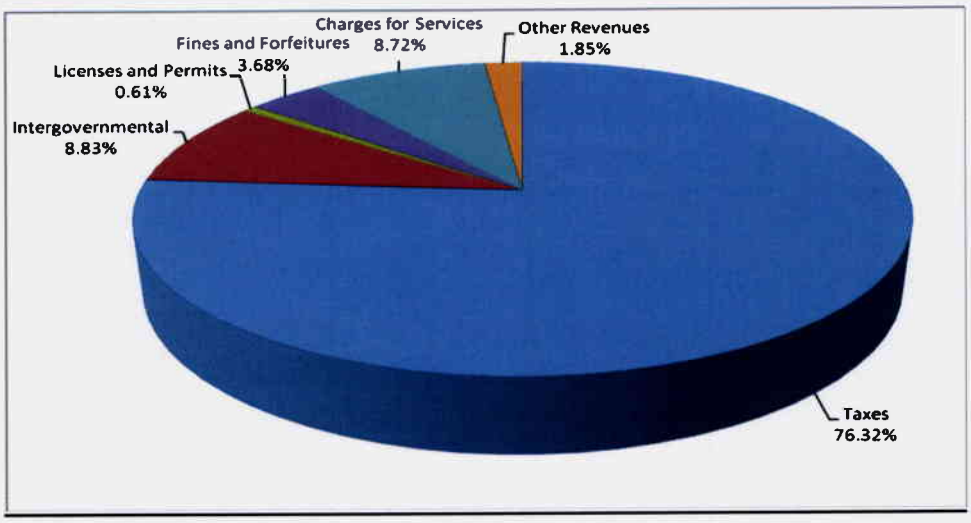
Jasper County's total revenue was $10.8 million for 2010. The total cost of all programs and services for this same period was $10.9 million. The analysis above separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues

Jasper County reported $9.9 million of governmental revenues in FY2010. General Revenues are made up of tax related revenues such as property tax, sales tax, business taxes, local option sales tax, etc. Other revenues are generated through various collections, which can be identified in the following major classes: general revenues, fees, fines, charges for services, operating grants, and capital grants. Jasper County's Taxes (76.32%), including Intergovernmental (8.83%), Licenses and Permits (0.61%), Fines and Forfeitures (3.68%), Charges for Services (8.72%), and other (1.85%) are the major revenue sources that contribute 100% of Jasper County's revenue.

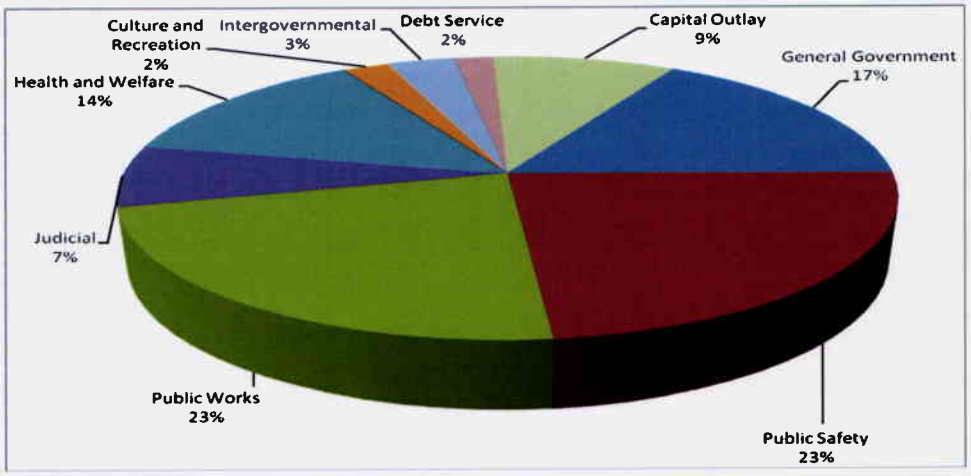
2010 Revenue by Source - Governmental Activities



Program/Services Expenditures

Program or services expenditures for governmental activities totaled $10.6 million, of which 11% was supported from program expenses and 89% was supported from general expenses. Expenditures for Public Safety, which includes the Sheriff's Department, Detention Center, Fire Services, E-911, and Animal Control, made up (23%) along with Public Works (23%), Judicial (7%), Health Welfare (14%), Culture and Recreation (2%), Intergovernmental (3%), Debt Service (2%), Capital Outlay (9%), and General Government (17%) all of which made up 100% of the total governmental expenditures. See Chart Below.

2010 Program/Services Expenditures - Governmental Activities by Function



Business-type Activities

Business-type activities decreased Jasper County's net assets by $166 thousand. This relates to the General Fund not transferring the amount of deficit amount to the Landfill. The operating revenues for business-type activities increased by $179 thousand from $682 thousand in 2009 to $861 thousand in 2010. The operating expenses increased by $205 thousand from $822 in 2009 to $1 million in 2010.

The Landfill Fund operates a central landfill that includes construction and demolition (C&D) and a transfer station, with solid waste and recyclables being transported by an outside service for processing. Revenues collected were $111 thousand to offset operations for 2010.

The County also reports Curbside as a separate fund. Curbside is a fee that Jasper County residence pay on their tax bill to have garbage pickup at their homes. The garbage cans are picked up every week on a rotation by an outside service. The total operating revenue for Curbside was $750 thousand. The total expenses for 2010 were $722 thousand. The most significant part was the annual expense was the $681 thousand for the outside service to collect the residential garbage.

Jasper County's Financial Analysis

Governmental Funds

The reporting of Governmental funds for 2010 provides useful information on balances of financial resources. The governmental fund types are comprised of: the General Fund, Various Special Revenue Funds, SPLOST Funds, and Impact Fee Fund.

As of December 31, 2010, Jasper County governmental funds reported a combined fund balance of $4.4 million, which is a decrease of $134 thousand from prior year's total of $4.6 million. The majority of the decrease relates to the 2005 SPLOST Fund with a fund balance of $803 thousand, a decrease of $264 thousand from 1.1 million in 2009. This represents the completion and construction in progress of $945 thousand of road projects. The General Fund increased $131 thousand with a fund balance of $3.4 million. This increase was made possible by the monitoring of expenditures for each department and restrictions on the purchasing process for the departments of Jasper County.

Proprietary Funds

Jasper County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Total net assets were a deficit of $171 thousand at year-end, a decrease of $166 thousand from the prior year. Other factors affecting the financial position of the proprietary fund have already been addressed in the discussion of Jasper County's business-type activities.

General Fund Budgetary Highlights

The General Fund is the primary source of funding for the day-to-day governmental operations of Jasper County. Our financial policy requires a balanced budget; thus, the Board of Commissioners annually determines and sets the approved level of expenditures for each department.

Actual revenue of $9 million compared to the final budget of $8.6 was favorable by $345 thousand for 2010. The General Fund experienced a 6% increase or $480 thousand in actual revenue from prior year's final revenue. The General Fund also experienced a 1% increase or $82 thousand in budgeted revenue from prior year's final budget.

The Board of Commissioners has utilized a "millage rate neutral" approach during this period of growth while maintaining a strong commitment to the fiscal responsibility of funding key government services. Our current millage rate of for the Unincorporated 2009 Tax Digest was 12.56 and for the Incorporated 2009 Tax Digest the millage rate was 13.21. Expenditures within the General Fund totaled $9.4 million in 2010. Summary of expenditures by source is provided below.

Total General Fund expenditures for 2010 were 7% over the final amended budget. The areas over budget were due to items not budgeted properly or amendments were not followed through with once Board decisions were made that had an effect on the departments within their operating budget.

Expenditure Source for Fiscal Year 2010

Expenditure Source		Amount	Percent of Total
General Government	$	1,734,743	19%
Public Safety		2,451,258	26%
Public Works		2,429,089	26%
Judicial		751,193	8%
Health and Welfare		1,425,775	15%
Culture and Recreation		243,145	3%
Intergovernmental		138,031	1%
Debt Service		207,396	2%
	$	9,380,630	100%

The General Fund had an increase in expenditures by comparison to 2009 from actual expenditures of $8.3 million to actual expenditure of $9.4 million in 2010. This increase was due to the increase in Public Works. Public Works total expenditures for 2009 were $1.2 million compared to 2010 total of $2.4 million. The additional expenditures were related to the purchase of capital assets as well as expenditures for the Off-System Safety Grant that was a Georgia Department of Transportation Federal Pass-Through Grant.

Special Revenue Funds

The county uses special revenue funds to account for the collection and disbursement of revenues that are legally restricted and may be expended only for specific purposes. Funds included in this classification are Law Enforcement Confiscation Fund, Law Library Fund, Jail Fund, Drug Education Fund, Juvenile Courts Fund, and Victim Assistance Fund.

Special Revenue Funds' revenue totaled $58 thousand for 2010 and expenditures totaled $64 thousand. Expenditures were very close to 2009 if you exclude Senior Center that was classified as a special revenue fund in 2009 and was reported as part of General Fund in 2010.

Capital Improvement Project Funds

SPLOST. A new SPLOST was passed by voter referendum in March 2005. Collections started July 2005 with $6 million in projects. The projects include: Roads ($4,472 million), Recreation ($200 thousand), and Economic Development ($176 thousand). The Municipalities' SPLOST Funded projects include: City of Monticello projects ($1,008 million), and the City of Shady Dale ($144 thousand). For the year ending December 31, 2010, $906 thousand in revenue was collected, and $1.2 million was spent in expenditures. Jasper County had $945 thousand of expenditures that were related to road projects for 2010.

Impact Fee. An Impact Fee Ordinance, meeting the requirements of the Georgia Development Impact Fee Act (O.C.G.A 3671-1), was adopted May 7, 2007. This ordinance provided for impact fees to be assessed against new residential and commercial construction in unincorporated Jasper County, with collections to be used for maintenance of existing service levels of such public services as Libraries, Parks and Recreation, Fire Protection, County Jail, Sheriff, and E-911. Collections of $11 thousand in revenue with expenditures of $11 thousand were made in 2010. As of December 31, 2010, the fund balance totaled $106 thousand for adopted projects.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2010, amounts to $5.2 million. This investment in capital assets includes land, building improvements, equipment, infrastructure, and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the county such as roads, bridges, streets, sidewalks, drainage systems, and other similar items. The increase on the Governmental Activities is due to the implementation of GASB 34. The table below provides a summary of capital assets. Additional information on capital assets can be found in Note 3D of the notes in the financial statements of this report.

Capital Assets for Fiscal Year 2010
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Capital Assets	
	2010	2009	2010	2009	2010	2009
Land	$ 68,000	$ 68.000	$ 1,500	$ 1,500	$ 69,500	$ 69,500
CIP	-	414.840	-	-	-	414,840
Buildings	6,021.859	6.011.859	7.430	7,430	6.029,289	6,019,289
Machinery & Equipment	3.192,884	2,677.985	589,126	589,126	3.782.010	3,267,111
Infrastructure	751,911	-	-	-	751,911	-
Site Improvements	6.960	-	-	-	6.960	-
Vehicles	3.857.116	3.636.120	50.867	50.867	3.907.983	3.686.987
Less Accumulated Depreciation	(8,669,834)	(8,036.485)	(635,061)	(626.957)	(9,304,895)	(8,663,442)
Total	$ 5,228,896	$ 4.772,319	$ 13,862	$ 21,966	$ 5,242,758	$ 4,794,285

Long-Term Debt

As of December 31, 2010, Jasper County had a net of $1 million in total outstanding long-term debt, including compensated absences. Governmental activities long-term debt of $707 thousand is attributed to new Capital Lease agreements for various pieces of equipment totaling $548 thousand. In business activities, $313 thousand is attributed to Landfill Closure and Post-Closure Care. Below is a summary table of long-term debt compared to prior year. For further information on the County's debt, refer to Note 3G of the notes in the financial statements of this report.

Outstanding Debt for Fiscal Year 2010

	Governmental Activities		Business-Type Activities		Total Outstanding Debt	
	2010	2009	2010	2009	2010	2009
Capital Lease Obligation	$ 674.679	$ 289.917	$ -	$ -	$ 674.679	$289.917
Landfill Closure and Post-Closure Care	-	-	313.059	289.581	313,059	289.581
Compensated Absences	32.088	74.101	3.270	1.388	35.358	75.489
Total	$ 706,767	$ 364.018	$ 316.329	$ 290.969	$ 1,023.096	$654,987

Economic Factors

The County is 370 square miles and includes two incorporated cities, Monticello, the county seat and Shady Dale. The 2010 census report a County population of 13,900 that is a 21.7% increase over the 2000 census total of 11,426. According to the census facts, there are 6,286 homes within Jasper County with an average value of $115,200. By comparison, Jasper County's 2009 Property Tax Digests average home value for homestead property was $71,000 and the fair market value of non-homestead property was $222,693.

In the year 2010, the average household income for all the employment sectors in the county was $44,958. This amount is 6% less than the statewide average of $47,469. Furthermore, nationally the average household income is $50,221 which means Jasper County's average household income is 8% less than the national average.

The growth in Jasper County has slowed tremendously from prior fiscal years, by comparing building permits of prior years to permits issued in fiscal year 2010 per our Planning and Development Department. The total permits issued in FY2008 were 377. In FY2010, the total permits issued were 295. This is a reduction of 22% of permits issued for residential and commercial. The slow-down of the economy has hit Jasper County's growth due to its proximity to Interstate 75 as well as Interstate 20, as it has impacted the entire State of Georgia.

Local governments, the Development Authority, and the Chamber of Commerce, are working together to establish a framework to attract new industry and provide incentives for major facility and production expansion to some existing businesses and industries.

Requests for Information

This report was prepared by the Finance Department. Questions concerning this report or request for additional information can be obtained by contacting the Assistant County Manager/Finance Director at Jasper County Board of Commissioners, Finance Department, 126 W. Greene Street, Suite 17, Monticello, GA 31064 or by phone (706) 468-4900.

FINANCIAL STATEMENTS

JASPER COUNTY, GEORGIA

STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current Assets				
Cash and cash equivalents	$ 3,987,171	$ 156,569	$ 4,143,740	$ 398,201
Receivables, net of allowance				
Accounts	100,462	108,945	209,407	37,750
Taxes	1,396,279	-	1,396,279	-
Other	277,001	-	277,001	419
Internal	(536,780)	536,780	-	-
Prepaid items	4,794	-	4,794	-
Long-Term Assets				
Other assets	475,051	-	475,051	-
Capital assets				
Nondepreciable	68,000	1,500	69,500	234,419
Depreciable, net	5,160,896	12,362	5,173,258	219,452
Total Assets	10,932,874	816,156	11,749,030	890,241
LIABILITIES				
Current Liabilities				
Accounts payable	74,085	58,643	132,728	35,435
Accrued expenses	128,158	5,197	133,355	10,618
Unearned revenue	18,260	607,262	625,522	-
Capital lease payable	165,542	-	165,542	-
Compensated absences payable	27,275	3,270	30,545	8,861
Notes payable	-	-	-	28,743
Long-term Liabilities				
Landfill closure and post-closure care payable	-	313,059	313,059	-
Compensated absences payable	4,813	-	4,813	17,292
Capital lease payable (net of current portion)	509,137	-	509,137	-
Notes payable (net of current portion)	-	-	-	93,673
Total Liabilities	927,270	987,431	1,914,701	194,622
NET ASSETS				
Invested in capital assets, net of related debt	4,554,217	13,862	4,568,079	331,455
Restricted for				
Capital projects	909,651	-	909,651	182,711
Program purpose	79,231	-	79,231	51,916
Unrestricted	4,462,505	(185,137)	4,277,368	129,537
Total Net Assets/(Deficit)	$ 10,005,604	$ (171,275)	$ 9,834,329	$ 695,619

See accompanying notes to the financial statements

JASPER COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government:								
Governmental Activities								
General government	$ 2,086,304	$ 236,946	$ 286,470	$ 3,523	$ (1,559,365)	$ -	$ (1,559,365)	
Public safety	2,570,151	479,306	-	116,387	(1,974,458)	-	(1,974,458)	
Public works	2,698,638	-	386,935	11,862	(2,299,841)	-	(2,299,841)	
Judicial	850,953	-	-	-	(850,953)	-	(850,953)	
Health and welfare	1,431,083	407,430	-	-	(1,023,653)	-	(1,023,653)	
Culture and recreation	237,793	169,308	88,813	531	20,859	-	20,859	
Interest on long-term debt	44,463	-	-	-	(44,463)	-	(44,463)	
Total governmental activities	9,919,385	1,292,990	762,218	132,303	(7,731,874)	-	(7,731,874)	
Business-Type Activities								
Landfill	304,568	111,303	-	-	-	(193,265)	(193,265)	
Curbside	722,348	750,028	-	-	-	27,680	27,680	
Total business-type activities	1,026,916	861,331	-	-	-	(165,585)	(165,585)	
Total Primary Government	$ 10,946,301	$ 2,154,321	$ 762,218	$ 132,303	(7,731,874)	(165,585)	(7,897,459)	
Component Units:								
Jasper County Health Department	$ 302,195	$ 79,677	$ 206,607	$ -				$ (15,911)
Jasper County Joint 911 Authority	459,321	214,976	229,940	-				(14,405)
Development Authority of Jasper County	58,503	-	41,968	-				(16,535)
Total Component Units	$ 820,019	$ 294,653	$ 478,515	$ -				(46,851)
General Revenues								
Property tax					4,884,150	-	4,884,150	-
Sales tax					1,486,578	-	1,486,578	-
Other tax					1,260,014	-	1,260,014	-
Interest earnings					17,931	59	17,990	4,868
Miscellaneous					149,781	-	149,781	27,159
Total General Revenues					7,798,454	59	7,798,513	32,027
Change in Net Assets					66,580	(165,526)	(98,946)	(14,824)
Net Assets/(Deficit) - Beginning of year, restated					9,939,024	(5,749)	9,933,275	710,443
Net Assets/(Deficit) - End of year					$ 10,005,604	$ (171,275)	$ 9,834,329	$ 695,619

See accompanying notes to the financial statements

JASPER COUNTY, GEORGIA

BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2010

	General Fund	Capital Projects 2005 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 3,061,038	$ 737,584	$ 188,549	$ 3,987,171
Receivables:				
Other	104,315	-	-	104,315
Intergovernmental	172,686	-	-	172,686
Property taxes	1,286,186	-	-	1,286,186
Sales taxes	44,169	65,924	-	110,093
EMS collections	100,462	-	-	100,462
Interfund	12,789	15,824	12,292	40,905
Prepaid items	4,794	-	-	4,794
Total Assets	$ 4,786,439	$ 819,332	$ 200,841	$ 5,806,612
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 56,419	$ 15,857	$ 1,809	$ 74,085
Accrued expenditures	128,158	-	-	128,158
Interfund payable	564,060	-	13,625	577,685
Deferred revenue	607,755	-	-	607,755
Total Liabilities	1,356,392	15,857	15,434	1,387,683
Fund Balances:				
Reserved for:				
Prepaids	4,794	-	-	4,794
Capital projects	-	803,475	106,176	909,651
Program purposes	-	-	79,231	79,231
Unreserved:				
Designated for working capital	1,514,985	-	-	1,514,985
Designated for recreation	9,121	-	-	9,121
Undesignated, reported in:				
General fund	1,901,147	-	-	1,901,147
Total Fund Balances	3,430,047	803,475	185,407	4,418,929
Total Liabilities and Fund Balances	$ 4,786,439	$ 819,332	$ 200,841	$ 5,806,612

See accompanying notes to the financial statements

JASPER COUNTY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Total Fund Equity per Balance Sheet of Governmental Funds	$ 4,418,929
Amounts reported for governmental activities in the Statement of Net Assets differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:	
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. However, in the statement of net assets the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.	
Cost of the assets	13,898,730
Less accumulated depreciation	(8,669,834)
Net pension asset is not available during the current period and therefore, is not reported in the funds.	
Other assets	475,051
Revenues	
Some of the government's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	589,495
Liabilities	
Liabilities, including bonds, capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases payable	(674,679)
Compensated absences	(32,088)
Total Net Assets of Governmental Activities	$ 10,005,604

See accompanying notes to the financial statements

JASPER COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	General Fund	Capital Projects 2005 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 6,699,749	$ 889,822	$ -	$ 7,589,571
Intergovernmental	878,605	-	-	878,605
Licenses and permits	49,257	-	11,014	60,271
Fines and forfeitures	308,163	-	57,699	365,862
Charges for Services	866,857	-	-	866,857
Interest earnings	17,476	15,916	455	33,847
Other revenues	149,781	-	-	149,781
Total Revenues	8,969,888	905,738	69,168	9,944,794
Expenditures:				
Current:				
General government	1,734,743	-	40,091	1,774,834
Public safety	2,451,258	-	35,497	2,486,755
Public works	2,429,089	-	-	2,429,089
Judicial	751,193	-	-	751,193
Health and welfare	1,425,775	-	-	1,425,775
Culture and recreation	243,145	-	-	243,145
Intergovernmental	138,031	213,558	-	351,589
Debt Service				
Principal	162,933	-	-	162,933
Interest and fiscal charges	44,463	-	-	44,463
Capital Outlay	-	956,547	-	956,547
Total Expenditures	9,380,630	1,170,105	75,588	10,626,323
Excess (Deficiency) of Revenues Over (Under) Expenditures	(410,742)	(264,367)	(6,420)	(681,529)
Other Financing Sources (Uses):				
Proceeds from capital leases	547,695	-	-	547,695
Transfers from other funds	-	-	6,365	6,365
Transfers to other funds	(6,365)	-	-	(6,365)
Total other financing sources (uses)	541,330	-	6,365	547,695
Net change in fund balances	130,588	(264,367)	(55)	(133,834)
Fund Balance, beginning of year	3,299,459	1,067,842	185,462	4,552,763
Fund Balance, end of year	$ 3,430,047	$ 803,475	$ 185,407	$ 4,418,929

See accompanying notes to the financial statements

JASPER 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 DECEMBER 31, 2010

Net Changes In Fund Balances - Total Governmental Funds	$ (133,834)
Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:	
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 capital outlay exceeded depreciation expense in the current period.	
Depreciation expense	(633,349)
Capital outlay	1,089,926
Other financing sources (uses) are reported on the fund level operating statement but are reported as a liability on the government-wide financial statements.	
Proceeds from capital lease	(547,695)
Net pension asset is not available during the current period and therefore, is not reported in the funds.	
Other assets	45,415
Repayment of general obligation, debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	162,933
Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	42,013
Revenues	
Because some revenues will not be collected for several months after the government's year end, they are not considered available revenues and are deferred in the governmental funds. Deferred revenues increased by this amount during the year.	41,171
Change in Net Assets of Governmental Activities	$ 66,580

See accompanying notes to the financial statements

JASPER COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Original Budget	Final Budget	2010 Actual	Variance With Final Budget
Revenues				
Taxes	$ 7,008,004	$ 7,008,004	$ 6,699,749	$ (308,255)
Intergovernmental	291,650	291,650	878,605	586,955
Licenses and permits	105,712	105,712	49,257	(56,455)
Fines and forfeitures	309,084	309,084	308,163	(921)
Charges for services	568,050	803,881	866,857	62,976
Interest earnings	16,274	16,274	17,476	1,202
Miscellaneous	6,223	90,287	149,781	59,494
Total Revenues	8,304,997	8,624,892	8,969,888	344,996
Expenditures				
Current:				
General government:				
Board of commissioners	181,888	181,888	165,709	16,179
Executive	185,887	182,837	157,618	25,219
Tax commissioners office	195,321	194,011	200,235	(6,224)
Tax assessors	330,500	325,860	308,104	17,756
Elections	7,800	7,800	32,459	(24,659)
Registrars	32,700	32,160	51,850	(19,690)
Financial administration	86,659	83,589	138,038	(54,449)
Human resources	16,290	16,290	12,951	3,339
Public buildings	318,068	317,358	319,098	(1,740)
Code enforcement services	50,040	49,200	50,840	(1,640)
Zoning office	111,106	110,516	52,748	57,768
Building inspection	45,611	45,611	23,631	21,980
Library	89,147	89,147	89,147	-
Animal control	79,902	79,262	103,347	(24,085)
Economic development	26,059	26,059	25,968	91
Prison work detail	19,000	-	-	-
Conservation salary	3,000	3,000	3,000	-
Contingency	-	90,140	-	90,140
Judicial:				
Superior court	351,641	359,701	372,111	(12,410)
Probate court	149,084	149,084	149,473	(389)
Magistrate court	89,087	91,087	100,003	(8,916)
Juvenile court	7,772	9,272	9,414	(142)
Courthouse security	56,718	55,928	48,335	7,593
Other court costs	94,030	78,670	71,857	6,813

See accompanying notes to the financial statements

JASPER COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Original Budget	Final Budget	2010 Actual	Variance With Final Budget
Public safety:				
Sheriff's office	1,458,620	1,399,928	1,439,412	(39,484)
Jail operations	559,334	628,134	671,541	(43,407)
Fire protection	123,511	131,111	110,365	20,746
E911	241,840	222,240	229,940	(7,700)
Public works:	1,363,478	1,950,133	2,429,089	(478,956)
Health and welfare:				
Public health	410,870	410,870	410,870	-
Emergency medical services	607,776	724,930	739,748	(14,818)
Emergency management agency	35,105	41,405	76,636	(35,231)
Coroner	15,732	15,732	19,609	(3,877)
County welfare	21,030	21,030	19,442	1,588
Senior Center	150,000	148,790	159,470	(10,680)
Culture and Recreation:				
Recreation	108,803	107,503	186,680	(79,177)
County extension service	56,627	56,627	56,465	162
Intergovernmental:				
Jasper County Board of Education	62,000	62,000	60,777	1,223
Four County Development Authority	58,000	58,000	44,172	13,828
Other	56,328	23,304	33,082	(9,778)
Debt Service:				
Principal retirement	118,633	153,833	162,933	(9,100)
Interest and fiscal charges	-	-	44,463	(44,463)
Total Expenditures	7,974,997	8,734,040	9,380,630	(646,590)
Excess Revenue Over (Under) Expenditures	330,000	(109,148)	(410,742)	(301,594)
Other Financing Sources (Uses):				
Proceeds from capital leases	-	547,695	547,695	-
Transfer from Curbside	50,000	50,000	-	(50,000)
Transfer to Capital Projects	(400,000)	(435,200)	-	435,200
Transfer to Victims Assistance	-	-	(6,365)	(6,365)
Transfer from Landfill	-	14,972	-	(14,972)
Sale of capital assets	20,000	20,000	-	(20,000)
Total Other Financing Sources (Uses)	(330,000)	197,467	541,330	343,863
Net Change in Fund Balances	$ -	$ 88,319	130,588	$ 42,269
Fund Balances - Beginning of Year			3,299,459	
Fund Balances - End of Year			$ 3,430,047	

See accompanying notes to the financial statements

JASPER COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds		
	Landfill	Curbside	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 78,557	$ 78,012	$ 156,569
Receivables:			
Accounts, net	10,490	98,455	108,945
Interfund receivable	31,026	510,754	541,780
Total Current Assets	120,073	687,221	807,294
Long-Term Assets:			
Capital Assets:			
Nondepreciable	1,500	-	1,500
Depreciable, net	12,362	-	12,362
Total Long-Term Assets	13,862	-	13,862
Total Assets	133,935	687,221	821,156
LIABILITIES			
Current Liabilities:			
Accounts payable	1,803	56,840	58,643
Accrued wages	4,009	1,188	5,197
Compensated absences payable	3,270	-	3,270
Deferred revenue	-	607,262	607,262
Interfund payable	5,000	-	5,000
Total Current Liabilities	14,082	665,290	679,372
Long-Term Liabilities:			
Landfill closure and post-closure care payable	313,059	-	313,059
Total Liabilities	327,141	665,290	992,431
NET ASSETS			
Invested in capital assets	13,862	-	13,862
Unrestricted	(207,068)	21,931	(185,137)
Total Net Assets/(Deficit)	$ (193,206)	$ 21,931	$ (171,275)

See accompanying notes to the basic financial statements

JASPER COUNTY, GEORGIA

STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds		
	Landfill	Curbside	Total
Operating Revenues			
Charges for services	$ 111,303	$ 750,028	$ 861,331
Total Operating Revenues	111,303	750,028	861,331
Operating Expenses			
Salaries and benefits	101,653	29,457	131,110
Purchased services	102,361	681,403	783,764
Repairs and maintenance	24,635	-	24,635
Postclosure	23,478	-	23,478
Other	44,337	11,488	55,825
Depreciation	8,104	-	8,104
Total Operating Expenses	304,568	722,348	1,026,916
Operating Income (Loss)	(193,265)	27,680	(165,585)
Non-Operating Revenues			
Interest earnings	59	-	59
Total Non-operating Revenues	59	-	59
Change in Net Assets	(193,206)	27,680	(165,526)
Net Assets/(Deficit), beginning of year	-	(5,749)	(5,749)
Net Assets/(Deficit), end of year	$ (193,206)	$ 21,931	$ (171,275)

See accompanying notes to the basic financial statements

JASPER COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds		
	Landfill	Curbside	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from customers	$ 331,963	$ 423,697	$ 755,660
Cash payments to employees for services	(99,002)	(28,269)	(127,271)
Cash payments for goods and services	(171,221)	(692,481)	(863,702)
Net Cash Provided by (Used in) Operating Activities	61,740	(297,053)	(235,313)
Cash Flows from Investing Activities			
Interest earnings	59	-	59
Net Cash Flows from Investing Activities	59	-	59
Net Increase (Decrease) in Cash and Cash Equivalents	61,799	(297,053)	(235,254)
Cash and Cash Equivalents, Beginning of Year	16,758	375,065	391,823
Cash and Cash Equivalents, End of Year	$ 78,557	$ 78,012	$ 156,569
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ (193,265)	$ 27,680	$ (165,585)
Adjustments:			
Depreciation	8,104	-	8,104
Postclosure	23,478	-	23,478
(Increase) Decrease in Assets:			
Accounts receivable	(8,467)	(11,070)	(19,537)
Interfund receivable	229,127	(315,477)	(86,350)
Increase (Decrease) in Liabilities:			
Accounts payable	(4,888)	410	(4,478)
Accrued wages	769	1,188	1,957
Interfund receivable/payable	5,000	-	5,000
Deferred revenue	-	216	216
Compensated absences	1,882	-	1,882
Net Cash Provided by (Used in) Operating Activities	$ 61,740	$ (297,053)	$ (235,313)

See accompanying notes to the basic financial statements

JASPER COUNTY, GEORGIA

COMPARATIVE STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 1,189,887	$ 6,390,056
LIABILITIES		
Due to others	$ 1,157,570	$ 6,359,495
Due to others - escrow	32,317	30,561
Total Liabilities	$ 1,189,887	$ 6,390,056

See accompanying notes to the basic financial statements

JASPER COUNTY, GEORGIA

COMBINING STATEMENTS OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2010 AND DECEMBER 31, 2010

	June 30 Jasper County Health Department	December 31 Jasper County Joint 911 Authority	December 31 Development Authority of Jasper County	Total
ASSETS				
Current:				
Cash and cash equivalents	$ 178,063	$ 13,558	$ 206,580	$ 398,201
Receivables:				
Accounts	5,038	32,712	-	37,750
Interest	-	-	419	419
Non-current:				
Capital Assets:				
Nondepreciable	-	-	234,419	234,419
Depreciable capital assets, net	7,176	211,211	1,065	219,452
Total Assets	190,277	257,481	442,483	890,241
LIABILITIES				
Current Liabilities:				
Accounts payable	14,199	21,236	-	35,435
Accrued expenses	-	10,618	-	10,618
Compensated absences	3,779	5,082	-	8,861
Notes payable	-	28,743	-	28,743
Long-term Liabilities:				
Compensated absences	17,292	-	-	17,292
Notes payable (net of current portion)	-	93,673	-	93,673
Total Liabilities	35,270	159,352	-	194,622
NET ASSETS				
Invested in capital assets, net of related debt	7,176	88,795	235,484	331,455
Restricted for:				
Capital outlay	-	-	182,711	182,711
Specific health program	51,916	-	-	51,916
Unrestricted	95,915	9,334	24,288	129,537
Total Net Assets	$ 155,007	$ 98,129	$ 442,483	$ 695,619

See accompanying notes to the basic financial statements

JASPER COUNTY, GEORGIA

COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2010 AND DECEMBER 31, 2010

	June 30 Jasper County Health Department	December 31 Jasper County Joint 911 Authority	December 31 Development Authority of Jasper County	Total
Expenses				
General government	$ -	$ 459,321	$ -	$ 459,321
Health and welfare	302,195	-	-	302,195
Economic development	-	-	58,503	58,503
Total Expenses	302,195	459,321	58,503	820,019
Revenues				
Program revenues:				
Charges for services	79,677	214,976	-	294,653
Operating grants and contributions	206,607	229,940	41,968	478,515
Total Program Revenues	286,284	444,916	41,968	773,168
Net Program (Expense)	(15,911)	(14,405)	(16,535)	(46,851)
General Revenues:				
Interest earnings	1,150	77	3,641	4,868
Miscellaneous	-	2,835	24,324	27,159
Total General Revenues	1,150	2,912	27,965	32,027
Change in Net Assets	(14,761)	(11,493)	11,430	(14,824)
Net Assets, Beginning of Year , Restated	169,768	109,622	431,053	710,443
Net Assets, End of Year	$ 155,007	$ 98,129	$ 442,483	$ 695,619

See accompanying notes to the basic financial statements

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NOTES TO THE FINANCIAL STATEMENTS

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JASPER COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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Jasper County, Georgia (the "County") was chartered by an act of the General Assembly of the State of Georgia. The County operates under a County Commission form of government and provides the following services as authorized by state law: general administrative services, public safety, roads and bridges, courts and health and welfare. The County also operates two enterprise funds, a landfill and curbside pickup.

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 and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

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

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations 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. For the County, this entity includes the probate court, the superior court, the magistrate court, the tax commissioner, the sheriff, and planning and zoning.

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:

Jasper County Joint 911 Authority – The Authority provides emergency call answering services and day to day radio communications dispatch services for law enforcement, emergency management, fire and emergency medical service. The Authority receives funding from Jasper County. The Authority is governed by a board comprised of five (5) members appointed by the County, three (3) members by the City of Monticello, and one (1) member by the City of Shady Dale. Specific information relative to the Authority may be obtained at the Jasper County Commissioner's Office. The Authority does not issue separate financial statements.

Development Authority of Jasper County – The Authority exists for the purpose of promoting and developing for the public good and general welfare, industry and trade, trade commerce and employment opportunity in the County. The County makes all appointments to the Board.

Jasper County Health Department – This agency offers immunizations and other direct health service to citizens of Jasper County as well as inspections and other preventive types of services. While a local board is appointed to oversee the operations of this agency, it is a state dependent agency. The State of Georgia contributes significant funding to this agency and exercises control over salaries and other expenditures. The Health Department maintains its financial records on a fiscal year ending June 30.

Complete financial statements of the individual component units can be obtained directly from their administrative office as follows:

Development Authority of Jasper County
P.O. Box 270
Monticello, GA 31064

Jasper County Board of Health
336 East Green Street
Monticello, GA 31064

Jasper County Law Library (Blended Component Unit) – The Law Library is an entity separate from the County. For financial reporting purposes, the Law Library is reported as if it were a part of the County's operations, because the Law Library primarily serves the courts of the County. The Law Library does not issue separate financial statements. Any capital assets purchased by the Law Library become the property of Jasper County.

Jasper County Water and Sewer Authority – The Water and Sewer Authority had previously been reported as a component unit of Jasper County. However, during 2010 an evaluation was done by the County in accordance with GASB Statement 14. Based on that evaluation, the County determined that the Water and Sewer Authority was not a component unit of Jasper County, Georgia.

1-B. 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 on all of the nonfiduciary activities of the primary government and its component units. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and County's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net assets presents the financial position of the governmental and business-type 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 and for each identifiable activity of the business-type activities of the County. 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.

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 function the revenues are restricted.

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 and each identifiable business activity 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, proprietary and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns.

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

Governmental Funds – Government 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:

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

The 2005 SPLOST Capital Project Fund – The capital project fund collects sales taxes and uses these revenues to complete various budgeted roads, streets, and bridges projects, recreation projects, and economic development projects.

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The proprietary funds are classified as enterprise funds. The County's two enterprise funds are reported as major funds. The following describes the County's enterprise funds:

The Landfill Fund – This fund is used to account for the operation of the County's landfill.

The Curbside Fund – This fund is used to account for the operation of the curbside sanitation services.

Fiduciary Funds – Fiduciary fund reporting focuses on changes in assets and liabilities. The County's fiduciary funds are agency funds.

1-C. 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.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net assets. The statements of changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. 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 using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. 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. Agency funds use the accrual basis of accounting to recognize assets and liabilities.

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 60 days 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 taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes 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. (Note 3-C) 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 taxes, sales taxes and federal and state grants.

Deferred/Unearned Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Deferred revenues are reclassified as "*unearned revenue*" on the government-wide statement of net assets.

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.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Investments are stated at fair value based on quoted market prices.

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 United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund 1)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 Prepaid Items

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

1-E-5 Capital Assets

Capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets 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. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the enterprise funds' statement of net assets.

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 five thousand dollars. The County is reporting infrastructure consisting of roads and bridges beginning with this calendar year. However, the County capitalized $751,911 of infrastructure in 2010. 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. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Lives	
Asset Class	Governmental Activities	Business-type Activities
Buildings	20-40 Years	25-40 Years
Machinery and equipment	3-10 Years	3-10 Years
Vehicles	3-10 Years	3-5 Years

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.

1-E-6 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.
Sick leave benefits are not vested.

All compensated absence liabilities include salary-related payments, where applicable.

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

1-E-7 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 the these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. General obligation bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-8 Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net assets and the proprietary fund type statement of net assets, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

At governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure.

1-E-9 Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific services.

Net Assets – Net assets represent the difference between assets and liabilities. 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 for the acquisition, construction or improvement of those assets. This net asset amount also is adjusted by any bond issuance deferral amounts. Net assets 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. 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.

1-E-10 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water, solid waste, the forum, recycling and the workers' compensation programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. Investment earnings are classified as nonoperating revenues. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

1-E-11 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-12 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

1-E-13 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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County adopts an annual operating budget for the general fund, and each special revenue fund. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

The general fund budget is adopted on a basis consistent with GAAP except that the occurrence of capital lease obligations and the related capital lease expenditures are not budgeted. Budgets for the special revenue funds are adopted on a basis consistent with GAAP. Budgets for capital projects funds are adopted on a basis consistent with GAAP except the budget period is a project period rather than an annual period.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the County Commission.

The County Manager may approve budget transfers within departments. The County Commission must approve transfers between departments. During the year, the County Commission approved twelve budget amendments.

All unexpended annual appropriations lapse at year-end.

Excess of Expenditures Over Appropriations

The following departments within the General Fund had expenditures in excess of appropriations at the department level:

Tax Commissioners Office	$	6,224
Elections		24,659
Registrars		19,690
Financial Administration		54,449
Public Buildings		1,740
Code Enforcement Services		1,640
Animal Control		24,085
Superior Court		12,410
Probate Court		389
Magistrate Court		8,916
Juvenile Court		142
Sheriff's Office		39,484
Jail Operations		43,407
E911		7,700
Public Works		478,956
Emergency Medical Services		14,818
Emergency Management Agency		35,231

Coroner	3,877
Senior Center	10,680
Recreation	79,177
Other Intergovernmental	9,778
Principal	9,100
Interest and Fiscal Charges	44,463
Transfer to Victims Assistance	6,365

The following special revenue funds had expenditures in excess of appropriations at the fund level:

Law Library	$	26,931
Victims Assistance		9,105

Deficit Net Assets

The Landfill Fund, a major proprietary fund, had deficit net assets of $193,206 at December 31, 2010. The County plans to closely monitor and control expenditures to help eliminate this deficit net assets. The County also plans to utilize increased C&D landfill revenue to help eliminate this deficit.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

3-A. Deposits and Investments

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 statues, and County policy, 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, countries, or municipalities. As of December 31, 2010, the County had no bank balances that were exposed to custodial credit risk.

3-B. Receivables

Receivables at December 31, 2010, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

The allowance for uncollectibles in the general fund was $193,059.

3-C. Property Taxes

The Board of Commissioners levied property taxes on September 30, 2010. Property taxes attach as an enforceable lien on property as of January 1. Property taxes were billed on October 20, 2010 and were payable within sixty days or December 20, 2010.

3-D. Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance 1/1/2010	Additions	Transfers	Deductions	Balance 12/31/2010
Governmental activities					
Nondepreciable capital assets					
Land	$ 68,000	$ -	$ -	$ -	$ 68,000
Construction in progress	414,840	-	(414,840)	-	-
Total nondepreciable capital assets	482,840	-	(414,840)	-	68,000
Depreciable capital assets					
Buildings	6,011,859	-	10,000	-	6,021,859
Machinery and equipment	2,677,985	514,899	-	-	3,192,884
Infrastructure	-	337,071	414,840	-	751,911
Site improvements	-	6,960	-	-	6,960
Vehicles	3,636,120	230,996	(10,000)	-	3,857,116
Total depreciable capital assets	12,325,964	1,089,926	414,840	-	13,830,730
Total capital assets	12,808,804	1,089,926	-	-	13,898,730
Accumulated depreciation					
Buildings	2,360,482	198,255	-	-	2,558,737
Machinery and equipment	2,578,919	137,117	-	-	2,716,036
Infrastructure	-	37,596	-	-	37,596
Site improvements	-	1,392	-	-	1,392
Vehicles	3,097,084	258,989	-	-	3,356,073
Total accumulated depreciation	8,036,485	633,349	-	-	8,669,834
Governmental activities capital assets, net	$ 4,772,319	$ 456,577	$ -	$ -	$ 5,228,896

Governmental activities depreciation expense

General government	$	22,970
Public safety		278,534
Public works		217,722
Judicial		102,224
Health and welfare		6,447
Culture and recreation		5,452
Total governmental activities depreciation expense	$	633,349

	Balance 01/1/2010	Additions	Deductions	Balance 12/31/2010
Business-type activities:				
Depreciable capital assets:				
Land	$ 1,500	$ -	$ -	$ 1,500
Depreciable capital assets:				
Buildings	7,430	-	-	7,430
Machinery and equipment	589,126	-	-	589,126
Vehicles	50,867	-	-	50,867
Total capital assets	648,923	-	-	648,923
Accumulated depreciation:				
Buildings	7,430	-	-	7,430
Machinery and equipment	573,705	4,742	-	578,447
Vehicles	45,822	3,362	-	49,184
Total accumulated depreciation	626,957	8,104	-	635,061
Business-type activities capital assets, net	$ 21,966	$ (8,104)	$ -	$ 13,862

3-E. Interfund Balances and Transfers

Interfund balances at December 31, 2010, 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 / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 12,789
SPLOST Fund	General Fund	10,824
	Landfill	5,000
Nonmajor Governmental Funds	General Fund	11,456
	Nonmajor Governmental Funds	836
Landfill Fund	General Fund	31,026
Curbside Fund	General Fund	510,754

Interfund transfers for the year ended December 31, 2010, consisted of the following:

	Transfers from:	
Transfer to:	General Fund	Total
Non-major fund	$ 6,365	$ 6,365
Total	$ 6,365	$ 6,365

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the Landfill to place a final cover on the 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 postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Landfill reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet. The $313,059 reported as landfill closure and post closure care liability at December 31, 2010, represents the cumulative amount reported to date based on the use

of 100% of the estimated capacity of the SL landfill site at Highway 212 and 2% of the estimated capacity of the C&D landfill site. These amounts are based on what it would cost to perform all closure and postclosure care in 2010. The County has estimated the closure and post closure costs associated with the landfills to be $1,497,927. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

3-G. Long-Term Debt

County Capital Leases – The County has entered into capital leases for various pieces of equipment. These leases meet the criteria of a capital lease since they transfer benefits and risks of ownership to the lessee at the end of the lease term. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The equipment acquired by the leases is included in capital assets.

The outstanding balance of the corresponding liabilities is included in long-term debt.

$32,721 SunTrust lease, due in quarterly installments of $1,821 through 2012. Interest at 4.18%	$ 10,412
$209,382 SunTrust lease, due in quarterly installments of $11,635 through 2012. Interest at 4.11%	78,199
$138,685 SunTrust lease, due in quarterly installments of $7,655 through 2013. Interest at 3.845%	58,676
$103,590 SunTrust lease, due in quarterly installments of $5,661 through 2013. Interest at 3.45%	43,582
$107,345 Caterpillar lease, due in monthly installments of $1,303 through 2015. Interest at 3.45%	98,288
$120,350 Caterpillar lease, due in monthly installments of $1,543 through 2013. Interest at 3.45%	109,563
$120,000 Caterpillar lease, due in monthly installments of $1,533 through 2013. Interest at 3.45%	109,297
$200,000 Wells Fargo lease, due in monthly installments of $3,732 through 2015. Interest at 4.47%	166,662
Total	$ 674,679

Future minimum lease payments are as follows:

Year	Principal	Interest	Total
2011	$ 165,542	$ 21,499	$ 187,041
2012	174,455	17,313	191,768
2013	216,049	7,736	223,785
2014	56,812	3,613	60,425
2015	61,821	660	62,481
Total	$ 674,679	$ 50,821	$ 725,500

Changes in Long-term Debt – Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2010:

Governmental Activities	Outstanding 1/1/2010	Additions	Reductions	Outstanding 12/31/2010	Amounts Due in One Year
Capital leases	$ 289,917	$ 547,695	$ 162,933	$ 674,679	$ 165,542
Compensated absences	74,101	13,098	55,111	32,088	27,275
Total Governmental Activities	$ 364,018	$ 560,793	$ 218,044	$ 706,767	$ 192,817

Business-Type Activities	Outstanding 1/1/2010	Additions	Reductions	Outstanding 12/31/2010	Amounts Due in One Year
Landfill closure and post-closure care	$ 289,581	$ 23,478	$ -	$ 313,059	$ -
Compensated absences	1,388	2,947	1,065	3,270	3,270
Total Business-type activities	$ 290,969	$ 26,425	$ 1,065	$ 316,329	$ 3,270

The capital lease obligations will be paid from the general fund. The compensated absences liability will be paid from the fund from which the employees' salaries are paid, generally the General Fund.

Component Units	Outstanding 1/1/2010	Additions	Reductions	Outstanding 12/31/2010	Amounts Due in One Year
Notes payable	$ 150,000	$ -	$ 27,584	$ 122,416	$ 28,743
Total Component Units	$ 150,000	$ -	$ 27,584	$ 122,416	$ 28,743

3-H. Short-Term Notes

During 2010, the County obtained a tax anticipation note of $1,000,000 to finance the general obligations of the County. The note bore interest at 5.5% and was due on December 31, 2010. The note was paid in December 2010 from General Fund revenues. The total payment of principal and interest was $1,017,603.

Short-tem debt activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Issued	Retired	Ending Balance
Governmental activities:				
Tax Anticipation Loan	$ -	$1,000,000	$1,000,000	$ -
Governmental Activities Short-term debt	$ -	$1,000,000	$1,000,000	$ -

3-I. Post-employment Benefits

The County does not provide post-employment benefits.

3-J. Pensions Plan

3-J-1 Plan Description

The County participates in the Association of Government Commissioners of Georgia Pension Plan (ACCG Plan), an agent multiple-employer defined benefit pension plan, which covers all employees. The County Board of County Commissioners authorizes amendments, participation in the pension plan, establishes the pension benefits and sets the contribution rates. All full-time eligible employees participate in the ACCG Plan ("Plan") after completing three years of service. Benefits are fully vested after five years of service.

Participants become eligible to retire at age 65 with three years of participation in the Plan. Benefits vest after four years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of .5% of average annual compensation up to $10,000 plus 1% of average annual compensation in excess of $10,000 plus $50 for each year of service payable as a life annuity. Service is limited to 35 years. Compensation is averaged over a five year period prior to retirement or termination.

A copy of the plan's financial report may be obtained from:

Government Employee Benefits Corporation of Georgia
1100 Circle 74 Parkway, Suite 300
Atlanta, Georgia 30339

At January 1, 2010, the date of the most recent actuarial valuation, there were 136 participants consisting of the following:

Retirees, Beneficiaries and Disables receiving benefits	15
Terminated plan participants entitled to but not year receiving benefits	26
Active employees participating in the Plan	95
Total number of Plan Participants	136

3-J-2 Funding Policy

County employees are required to contribute 3% of their payroll to the Plan. The County contributes the remaining cost of the Plan using the actuarial basis described in the annual valuation report.

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and incremental changes in the cash value of pre-retirement life insurance policies owned by the trust. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 60% equities and 40% fixed income securities on a cost basis.

The net pension obligation was computed as part of an actuarial valuation as of December 31, 2010. Significant actuarial assumptions used in the valuation include (a) an assumed rate of return on assets of 7.75% per year compounded annually, (b) projected salary increases of 4% to 6.5% per year compounded annually and (c) future payroll growth of 5.5% per year. Actuarial assumptions also include an expected inflation rate of 3% per year compounded annually.

3-J-3 Annual Pension Costs

ACCG Plan refunding policy provides for contributions under the "Protected Unit Credit" actuarial cost method. The actuarial asset valuation was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period is 10 years.

Derivation of Annual Pension Cost:

Annual required contribution	$ 106,100
Interest on Net Pension Obligation	(33,297)
Amortization of Net Pension Obligation	35,627
Annual Pension Cost	$ 108,430

Derivation of Net Pension Obligation/(Asset)

Annual Pension Cost	$ 108,430
Actual Contributions to Plan	153,845
Increase in Net Pension Obligation/(Asset)	(45,415)
Net Pension Obligation/(Asset), as of December 31, 2009	(429,636)
Net Pension Obligation/(Asset), as of December 31, 2010	$ (475,051)

The net pension asset is presented as other assets in the government-wide statement of net assets.

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contribution	Percentage Contributed	Net Pension Obligation/ (Asset)
2008	$ 78,719	175%	$ (288,537)
2009	101,540	241%	(429,636)
2010	106,100	145%	(475,051)

Analysis of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2010	$1,874,879	$ 2,014,059	$ 139,180	93.09%	$2,875,613	4.84%

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new

estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010.

The assumptions used in the January 1, 2010 actuarial valuation are as follows:

Actuarial Assumptions

Actuarial Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value
Actuarial Assumptions:	
Assumed Rate of Return on Assets	7.75%
Expected Future Salary Increases	4% to 6.5%
Expected Inflation	3.0%

3-K. Investment in Capital Assets, Net of Related Debt

Investment of Capital Assets, net of related debt on the Government-wide statement of net assets as of December 31, 2010 is as follows:

Investments in capital assets, net of related debt:	Governmental Activities	Business Type Activities
Cost of capital assets	$ 13,898,730	$ 648,923
Less accumulated depreciation	(8,669,834)	(635,061)
Book value	5,228,896	13,862
Less capital related debt	(674,679)	-
Investments in capital assets, net of related debt	$ 4,554,217	$ 13,862

NOTE 4 – OTHER NOTES

4-A. 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 has joined together with other counties in the state as part of the Interlocal Risk Management Agency (IRMA) for property and liability insurance and the ACCG-Group Self-Insurance Workers' Compensation Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Association County Commissioners of Georgia (ACCG) administers both risk pools.

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are 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.

4-B. 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 was a defendant in several lawsuits at December 31, 2010. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

4-C. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the fourteen county east central Georgia area, is a member of the Northeast Georgia Regional Commission (RC) and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Council 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 NEGRC may be obtained from:

Northeast Georgia Regional Commission
305 Research Drive
Athens, GA 30605-2795

NOTE 5 – RESTATEMENT OF NET ASSETS

The County has determined that a restatement of the Governmental Activities is necessary to correct the beginning balances for the net pension asset. The effect of this adjustment is as follows:

	Governmental Activities
Net Assets at December 31, 2009 as previously reported	$ 9,509,388
Add net pension asset	429,636
Net assets at December 31, 2009 as restated	$ 9,939,024

The County determined during 2010 that the Jasper County Water and Sewer Authority was no longer a component unit of the County. Therefore, the beginning balance of the Component Units was corrected for the Authority's net assets as follows:

	Component Units
Net Assets at December 31, 2009 as previously reported	$ 3,410,140
Remove Water and Sewer Authority	2,699,697
Net Assets at December 31, 2009 as restated	$ 710,443

REQUIRED SUPPLEMENTARY INFORMATION

JASPER COUNTY, GEORGIA

SCHEDULE OF PENSION FUNDING PROGRESS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)		Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL/(UAAL) (b-a)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2003	$ 461,223		$ 948,305	48.6%	$ 487,082	$ 1,235,875	39.4%
12/31/2004	549,923		1,059,912	51.9%	509,989	1,174,040	43.4%
12/31/2005	677,068		1,122,503	60.3%	445,435	1,559,032	28.6%
12/31/2006	865,840		1,183,798	73.1%	317,958	1,965,182	16.2%
12/31/2007	1,125,498		1,352,452	83.2%	226,954	2,033,452	11.2%
12/31/2008	1,240,518	*	1,550,523	80.0%	310,005	2,497,332	12.4%
12/31/2009	1,612,695	*	1,789,204	90.1%	176,509	3,047,185	5.8%
12/31/2010	1,874,879	*	2,014,059	93.1%	139,180	2,875,613	4.8%

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 net assets available for benefits as a percentage of the actuarial accrued liability provides on indication of funding 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 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.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
2010	$ 106,100	144.50%
2009	101,540	240.50%
2008	78,719	175.10%

SUPPLEMENTARY INFORMATION

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JASPER COUNTY, GEORGIA

GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 3,061,038	$ 3,053,308
Receivables:		
Other	104,315	7,887
Intergovernmental	172,686	30,740
Property taxes	1,286,186	1,191,659
Sales taxes	44,169	49,238
EMS Collections	100,462	36,938
Interfund	12,789	132,152
Prepaid expenses	4,794	135,871
Total Assets	$ 4,786,439	$ 4,637,793
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 56,419	$ 138,997
Accrued expenditures	128,158	159,612
Other payable	-	3,186
Interfund payable	564,060	209,802
Deferred revenue	607,755	566,584
Advance to other funds	-	260,153
Total Liabilities	1,356,392	1,338,334
Fund Balances		
Reserved		
Prepaids	4,794	135,871
Unreserved		
Designated for working capital	1,514,985	1,376,216
Designated for recreation	9,121	-
Undesignated	1,901,147	1,787,372
Total Fund Balances	3,430,047	3,299,459
Total Liabilities and Fund Balances	$ 4,786,439	$ 4,637,793

JASPER COUNTY, GEORGIA

GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Revenues		
Taxes	$ 6,699,749	$ 7,214,608
Intergovernmental	878,605	252,913
Licenses and permits	49,257	86,499
Fines and forfeitures	308,163	308,207
Charges for services	866,857	575,443
Interest earnings	17,476	9,227
Miscellaneous	149,781	42,461
Total Revenues	8,969,888	8,489,358
Expenditures		
Current:		
General government:		
Board of commissioners	165,709	193,885
Executive	157,618	196,061
Tax commissioners office	200,235	213,798
Tax assessors	308,104	355,636
Elections	32,459	16,691
Registrars	51,850	41,712
Financial administration	138,038	133,790
Human resources	12,951	9,529
Public buildings	319,098	344,015
Code enforcement services	50,840	54,678
Zoning office	52,748	84,924
Building inspection	23,631	50,265
Library	89,147	89,138
Animal control	103,347	98,826
Economic development	25,968	26,058
Prison work detail	-	20,881
Conservation salary	3,000	3,000
Judicial:		
Superior court	372,111	399,771
Probate court	149,473	164,814
Magistrate court	100,003	115,809
Juvenile court	9,414	9,839
Courthouse security	48,335	54,042
Court costs	71,857	88,864

JASPER COUNTY, GEORGIA

GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Public safety:		
Sheriff's office	1,439,412	1,476,294
Jail operations	671,541	665,070
Fire protection	110,365	114,026
E911	229,940	241,840
Public works:	2,429,089	1,197,055
Health and welfare:		
Public health	410,870	410,870
Emergency medical services	739,748	673,023
Emergency medical agency	76,636	69,642
Coroner	19,609	14,257
County welfare	19,442	21,030
Senior center	159,470	-
Culture and recreation:		
Recreation	186,680	203,427
County extension service	56,465	64,423
Intergovernmental	138,031	210,636
Debt Service:		
Principal retirement	162,933	103,366
Interest and fiscal charges	44,463	26,311
Total Expenditures	9,380,630	8,257,296
(Deficiency) of Revenues (Under) Expenditures	(410,742)	232,062
Other Financing Sources (Uses)		
Inception of capital lease	547,695	-
Transfers out	(6,365)	(93,644)
Total Other Financing Sources (Uses)	541,330	(93,644)
Net Change in Fund Balances	130,588	138,418
Fund Balances - Beginning of Year	3,299,459	3,161,041
Fund Balances - End of Year	$ 3,430,047	$ 3,299,459

JASPER COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Special Revenue Funds						Capital Project Fund	Total Nonmajor Governmental Funds
	Law Enforcement Confiscation	Law Library	Jail	Drug Education	Juvenile Courts	Victims Assistance	Impact Fees	
ASSETS								
Cash and cash equivalents	$ 6,544	$ 9,696	$ 18,283	$ 24,049	$ 11,048	$ 11,376	$ 107,553	$ 188,549
Interfund receivable	-	-	4,271	8,021	-	-	-	12,292
Total Assets	$ 6,544	$ 9,696	$ 22,554	$ 32,070	$ 11,048	$ 11,376	$ 107,553	$ 200,841
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	$ -	$ 1,809	$ -	$ -	$ -	$ -	$ -	$ 1,809
Interfund payable	872	-	-	-	-	11,376	1,377	13,625
Total Liabilities	872	1,809	-	-	-	11,376	1,377	15,434
Fund Balances								
Reserved for program purposes	5,672	7,887	22,554	32,070	11,048	-	-	79,231
Reserved for capital projects	-	-	-	-	-	-	106,176	106,176
Total Fund Balances	5,672	7,887	22,554	32,070	11,048	-	106,176	185,407
Total Liabilities and Fund Balances	$ 6,544	$ 9,696	$ 22,554	$ 32,070	$ 11,048	$ 11,376	$ 107,553	$ 200,841

JASPER COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Special Revenue Funds						Capital Project Fund	Total Nonmajor Governmental Funds
	Law Enforcement Confiscation	Law Library	Jail	Drug Education	Juvenile Courts	Victims Assistance	Impact Fees	
Revenues								
Fines and forfeitures	$ -	$ 10,987	$ 19,411	$ 14,220	$ 310	$ 12,771	$ -	$ 57,699
Licenses and permits	-	-	-	-	-	-	11,014	11,014
Interest earnings	58	-	50	26	99	-	222	455
Total Revenues	58	10,987	19,461	14,246	409	12,771	11,236	69,168
Expenditures								
Current:								
General government	-	28,631	-	-	201	-	11,259	40,091
Public safety	5,909	-	5,293	1,885	-	22,410	-	35,497
Total Expenditures	5,909	28,631	5,293	1,885	201	22,410	11,259	75,588
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,851)	(17,644)	14,168	12,361	208	(9,639)	(23)	(6,420)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	6,365	-	6,365
Total Other Financing Sources (Uses)	-	-	-	-	-	6,365	-	6,365
Net Change in Fund Balances	(5,851)	(17,644)	14,168	12,361	208	(3,274)	(23)	(55)
Fund Balances - Beginning of Year	11,523	25,531	8,386	19,709	10,840	3,274	106,199	185,462
Fund Balances - End of Year	$ 5,672	$ 7,887	$ 22,554	$ 32,070	$ 11,048	$ -	$ 106,176	$ 185,407

JASPER COUNTY, GEORGIA

LAW ENFORCEMENT CONFISCATION FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 6,544	$ 12,395
Total Assets	$ 6,544	$ 12,395
Liabilities		
Interfund payable	$ 872	$ 872
Total Liabilities	872	872
Fund Balance		
Reserved for program purposes	5,672	11,523
Total Liabilities and Fund Balance	$ 6,544	$ 12,395

JASPER COUNTY, GEORGIA

LAW ENFORCEMENT CONFISCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest earnings	$ 15,000	$ 58	$ (14,942)
Total Revenues	15,000	58	(14,942)
Expenditures:			
Current:			
Public Safety	15,000	5,909	9,091
Total Expenditures	15,000	5,909	9,091
Net change in fund balance	$ -	(5,851)	$ (5,851)
Fund Balance, beginning of year		11,523	
Fund Balance, end of year		$ 5,672	

JASPER COUNTY, GEORGIA

LAW LIBRARY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 9,696	$ 27,519
Total Assets	$ 9,696	$ 27,519
Liabilities		
Accounts payable	$ 1,809	$ 1,988
Total Liabilities	1,809	1,988
Fund Balance		
Reserved for program purposes	7,887	25,531
Total Liabilities and Fund Balance	$ 9,696	$ 27,519

JASPER COUNTY, GEORGIA

LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	$ 1,700	$ 10,987	$ 9,287
Total Revenues	1,700	10,987	9,287
Expenditures:			
Current:			
General government	1,700	28,631	(26,931)
Total Expenditures	1,700	28,631	(26,931)
Net change in fund balance	$ -	(17,644)	$ (17,644)
Fund Balance, beginning of year		25,531	
Fund Balance, end of year		$ 7,887	

JASPER COUNTY, GEORGIA

JAIL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 18,283	$ 3,539
Interfund receivable	4,271	6,430
Total Assets	$ 22,554	$ 9,969
Liabilities		
Accounts payable	$ -	$ 1,583
Total Liabilities	-	1,583
Fund Balance		
Reserved for program purposes	22,554	8,386
Total Liabilities and Fund Balance	$ 22,554	$ 9,969

JASPER COUNTY, GEORGIA

JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	$ 30,000	$ 19,411	$ (10,589)
Interest earnings	250	50	(200)
Total Revenues	30,250	19,461	(10,789)
Expenditures:			
Current:			
Public Safety	30,250	5,293	24,957
Total Expenditures	30,250	5,293	24,957
Net change in fund balance	$ -	14,168	$ 14,168
Fund Balance, beginning of year		8,386	
Fund Balance, end of year		$ 22,554	

JASPER COUNTY, GEORGIA

DRUG EDUCATION FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 24,049	$ 11,614
Interfund receivable	8,021	8,095
Total Assets	$ 32,070	$ 19,709
Fund Balance		
Reserved for program purposes	32,070	19,709
Total Liabilities and Fund Balance	$ 32,070	$ 19,709

JASPER COUNTY, GEORGIA

DRUG EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	$ 14,000	$ 14,220	$ 220
Interest earnings	200	26	(174)
Total Revenues	14,200	14,246	46
Expenditures:			
Current:			
Public safety	14,200	1,885	12,315
Total Expenditures	14,200	1,885	12,315
Net change in fund balance	$ -	12,361	$ 12,361
Fund Balance, beginning of year		19,709	
Fund Balance, end of year		$ 32,070	

JASPER COUNTY, GEORGIA

JUVENILE COURT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 11,048	$ 10,840
Total Assets	$ 11,048	$ 10,840
Fund Balance		
Reserved for program purposes	$ 11,048	$ 10,840
Total Fund Balance	$ 11,048	$ 10,840

JASPER COUNTY, GEORGIA

JUVENILE COURT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	$ 1,000	$ 310	$ (690)
Interest earnings	100	99	(1)
Total Revenues	1,100	409	(691)
Expenditures:			
Current:			
General government	1,100	201	899
Total Expenditures	1,100	201	899
Net change in fund balance	$ -	208	$ 208
Fund Balance, beginning of year		10,840	
Fund Balance, end of year		$ 11,048	

JASPER COUNTY, GEORGIA

VICTIMS ASSISTANCE
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 11,376	$ 16,855
Total Assets	$ 11,376	$ 16,855
Liabilities		
Interfund payable	$ 11,376	$ 13,581
Total Liabilities	11,376	13,581
Fund Balance		
Reserved for program purposes	-	3,274
Total Liabilities and Fund Balance	$ 11,376	$ 16,855

JASPER COUNTY, GEORGIA

VICTIMS ASSISTANCE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	$ 13,305	$ 12,771	$ (534)
Total Revenues	13,305	12,771	(534)
Expenditures:			
Current:			
Public safety	13,305	22,410	(9,105)
Total Expenditures	13,305	22,410	(9,105)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(9,639)	9,639
Other Financing (Uses)			
Transfers in	-	6,365	6,365
Net change in fund balance	$ -	(3,274)	$ 3,274
Fund Balance, beginning of year		3,274	
Fund Balance, end of year		$ -	

JASPER COUNTY, GEORGIA

2005 SPECIAL LOCAL OPTION SALES TAX
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 737,584	$ 1,181,961
Receivables:		
Sales taxes	65,924	73,420
Interfund	15,824	-
Total Assets	$ 819,332	$ 1,255,381
Liabilities		
Accounts payable	$ 15,857	$ 122,033
Interfund payables	-	65,506
Total Liabilities	15,857	187,539
Fund Balance		
Reserved for capital outlay	803,475	1,067,842
Total Liabilities and Fund Balance	$ 819,332	$ 1,255,381

JASPER COUNTY, GEORGIA

2005 SPECIAL LOCAL OPTION SALES TAX
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Revenues		
Sales taxes	$ 889,822	$ 839,535
Interest earnings	15,916	21,093
Total Revenues	905,738	860,628
Expenditures		
Current:		
Intergovernmental	213,558	200,186
Capital outlay	956,547	559,474
Total Expenditures	1,170,105	759,660
Net change in fund balance	(264,367)	100,968
Fund Balance, beginning of year	1,067,842	966,874
Fund Balance, end of year	$ 803,475	$ 1,067,842

JASPER COUNTY, GEORGIA

IMPACT FEES
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 107,553	$ 113,491
Total Assets	$ 107,553	$ 113,491
Liabilities		
Due to other funds	$ 1,377	$ 7,292
Total Liabilities	1,377	7,292
Fund Balance		
Reserved for capital outlay	106,176	106,199
Total Liabilities and Fund Balance	$ 107,553	$ 113,491

JASPER COUNTY, GEORGIA

IMPACT FEES
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Revenues		
Impact fees	$ 11,014	$ 34,418
Interest earnings	222	226
Total Revenues	11,236	34,644
Expenditures		
Current:		
General government	11,259	15,538
Total Expenditures	11,259	15,538
Net change in fund balance	(23)	19,106
Fund Balance, beginning of year	106,199	87,093
Fund Balance, end of year	$ 106,176	$ 106,199

JASPER COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Tax Commissioner	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Assets				
Cash and cash equivalents	$ 6,327,472	$13,973,501	$ 19,180,072	$ 1,120,901
Liabilities				
Due to others	$ 6,327,472	$13,973,501	$ 19,180,072	$ 1,120,901

Superior Court	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Assets				
Cash and cash equivalents	$ 39,478	$ 259,793	$ 256,304	$ 42,967
Liabilities				
Due to others	$ 8,917	$ 118,084	$ 116,351	$ 10,650
Due to others - escrow	30,561	141,709	139,953	32,317
Total Liabilities	$ 39,478	$ 259,793	$ 256,304	$ 42,967

Probate Court	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Assets				
Cash and cash equivalents	$ 1,272	$ 75,153	$ 75,164	$ 1,261
Liabilities				
Due to others	$ 1,272	$ 75,153	$ 75,164	$ 1,261

JASPER COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010
(CONTINUED)

Magistrate Court	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Assets				
Cash and cash equivalents	$ 5,613	$ 116,822	$ 115,433	$ 7,002
Liabilities				
Due to others	$ 5,613	$ 116,822	$ 115,433	$ 7,002

Sheriff's Office	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Assets				
Cash and cash equivalents	$ 16,221	$ 27,237	$ 25,702	$ 17,756
Liabilities				
Due to others	$ 16,221	$ 27,237	$ 25,702	$ 17,756

Total	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Assets				
Cash and cash equivalents	$ 6,390,056	$14,452,506	$19,652,675	$ 1,189,887
Liabilities				
Due to others	$ 6,359,495	$14,310,797	$19,512,722	$ 1,157,570
Due to others - escrow	30,561	141,709	139,953	32,317
Total Liabilities	$ 6,390,056	$14,452,506	$19,652,675	$ 1,189,887

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SPECIAL REPORTS SECTION

JASPER COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Capital Project 2005 SPLOST	Original Estimated Budget	Prior Years	Current Year	Total	Estimated Percentage of Completion
Level Two County Wide Project:					
Roads, Streets, & Bridges	$ 1,200,000	$ 657,975	$ -	$ 657,975	55%
Jasper County Projects:					
Roads, Streets, & Bridges	3,272,000	1,994,655	944,547	2,939,202	90%
Recreation Facilities	200,000	4,100	12,000	16,100	8%
Economic Development	176,000	-	-	-	0%
City of Monticello Projects	1,008,000	535,390	186,863	722,253	72%
City of Shady Dale Projects	144,000	76,484	26,695	103,179	72%
Total	$ 6,000,000	$ 3,268,604	$ 1,170,105	$ 4,438,709	

GOVERNMENTAL REPORTS

JASPER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through Georgia State Department of Health and Human Resources:			
Special Programs for Aging - Title III, Part B	427-00-373-0000005063	93.044	$ 5,236
Special Programs for Aging - Title III, Part C(1)	427-00-373-0000005063	93.045	20,196
Special Programs for Aging - Title III, Part C(1) USDA	427-00-373-0000005063	93.045	1,659
Special Programs for Aging - Title III, Part C(1) SSBG	427-00-373-0000005063	93.045	246
Special Programs for Aging - Title III, Part C(2)	427-00-373-0000005063	93.045	12,922
Special Programs for Aging - Title III, Part C(2) USDA	427-00-373-0000005063	93.045	5,701
Subtotal for Aging Cluster			45,960
Special Programs for Aging - Title III, Part E	427-00-373-0000005063	93.052	3,439
Total Pass-through Programs			49,399
Total U.S. Department of Health and Human Resources			49,399
U.S. Department of Agriculture			
Direct Programs			
Secure Payments for States and Counties	98199100188	10.665	70,176
Total U.S. Department of Agriculture			$ 70,176

See accompanying notes to schedule of expenditures of federal awards

JASPER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Justice			
Direct Programs			
Ed Byrne Memorial	B82-8-307	16.803	$ 45,750
COPS-Technology Program	2009CKWX0220	16.000	44,454
Total Direct Programs			90,204
Total U.S. Small Business Administration			90,204
U.S. Department of Transportation			
Direct Programs			
Section 5311 Rural Public Transportation	T003118	20.509	52,853
Total Direct Programs			52,853
Pass-through Programs			
Passed through Georgia Department of Transportation			
Off System Safety Enhancement Project	CSSFT-0008-00(747)	20.205	386,935
Total Pass-through Programs			386,935
Total U.S. Department of Transportation			439,788
Total Expenditures of Federal Awards			$ 649,567

See accompanying notes to schedule of expenditures of federal awards

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of Federal Awards includes the federal grant activity of Jasper County, Georgia and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurs.

Program Type Determination

Type A programs are defined as Federal programs with Federal expenditures exceeding the larger of $300,000 or three percent of total Federal expenditures. The threshold of $300,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk-based approach was used in the selection of Federal programs to be tested as major programs. The County did not qualify as a low-risk auditee for the fiscal year ended December 31, 2010.

JASPER COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

FEDERAL AWARD FINDINGS

Findings Noted on the Report on compliance with Requirements Applicable to Each Major Program and Internal control over Compliance in Accordance with OMB Circular A-133:

NONE REPORTED

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

Board of Commissioners
Jasper County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jasper County, Georgia as of and for the year ended December 31, 2010, which collectively comprise Jasper County, Georgia's basic financial statements and have issued our report thereon dated June 17, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Jasper County Health Department and the Development Authority of Jasper County, as described in our report on the County's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported separately by those auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

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

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

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. 07-02, 2010-01, and 2010-02.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jasper County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 2010-03 and 2010-04.

We noted certain matters that we reported to management of the County in a separate letter dated June 17, 2011.

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

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

Macon, Georgia
June 17, 2011

CLH&P CLIFTON, LIPFORD, HARDISON & PARKER, LLC

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

To the Board of Commissioners
Jasper County, Georgia
Monticello, Georgia

Compliance

We have audited Jasper County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Jasper County, Georgia's major federal programs for the year ended December 31, 2010. Jasper County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Jasper County, Georgia's management. Our responsibility is to express an opinion on Jasper County, Georgia's compliance based on our audit.

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

In our opinion, Jasper County, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

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Internal Control Over Compliance

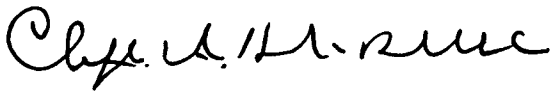
Management of Jasper County, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Jasper County, Georgia's internal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

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

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

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

Macon, Georgia
June 17, 2011



JASPER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)	None Reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program
20.205	Off System Safety Enhancement Project

Dollar threshold used to distinguish between Type A and Type B program	$ 300,000
Auditee qualified as low-risk auditee	No

Section II – Financial Statement Findings

07-02 Landfill Fund – Reiteration of Prior Year

CRITERIA
Internal controls should be designed to reconcile the subsidiary ledger accounts with the general ledger control accounts and any differences discovered should be resolved on a timely basis.

CONDITION
The landfill subsidiary records are maintained on a manual system. The receipts issued by landfill personnel are not pre-numbered or issued in sequence within the individual receipt books. In addition, no reconciliation is performed between the receipt books, bank deposit, or final general ledger posting.

EFFECT
Failure to adequately monitor and reconcile activity could increase the likelihood of misappropriation of funds. In addition, interim financial reports, which are used by management for fiscal-related decisions, could have been relied upon in error.

CAUSE
The material weakness is the result of the County not establishing adequate controls over the collection and reconciliation of landfill activity.

RECOMMENDATION
The County should redesign the internal control system and update the computer software purchased that would allow for adequate monitoring and reporting.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
The County concurs with the finding. A software system has been purchased and will allow for pre-numbered cash receipts that should be balance with the deposits made to improve internal controls.

2010-01 General Ledger Maintenance

CRITERIA

Timely and accurate financial reports are essential in order to perform analysis of the financial condition of the County, review data for accuracy and completeness, monitor compliance with budget appropriations, and to prepare annual financial statements.

CONDITION

During 2010, the following conditions were noted in the accounting records of the County:

- Certain revenue transactions were not properly recorded.
- Prior year audit adjustments were not properly recorded.
- Accounts payable subsidiary records were not reconciled to the general ledger.

EFFECT

Material audit adjustments were needed to fairly report financial information for the year ended December 31, 2010 as follows. In addition, interim financial reports, which are used by management for fiscal-related decisions, could have been relied upon in error.

Recording of Revenue Cycle Transactions –Material audit adjustments were necessary to correct revenues as follows:

- Audit adjustment of $636,478 was needed in the General Fund to correct the property taxes accounts receivable, allowance, deferred revenue and revenue account balances. Also, an audit adjustment of $579,963 was needed to reverse out 2011 property tax transactions recorded in 2010 by the County.
- Audit adjustments were needed in the General Fund to reverse out prior year grant receivables of $30,740 for a weather siren and to record current year grant receivable of $149,323 for the 2009 Forest Land Protection Act Grant.
- Audit adjustment of $363,572 was needed to remove the DOT grant revenue from an expenditure account and record the grant revenue into a revenue account.
- Audit adjustment of $28,150 was needed to reverse out prior year receivables from the Sheriff. Also, an audit adjustment of $42,524 was needed to correct the current year receivable from the Sheriff.
- Audit adjustments of $34,724 and $23,079 were needed to correct Curbside receivable and allowance accounts, respectively.

Recording of Expenditure and Accounts Payable Transactions – Material audit adjustments were necessary to correct expenditures and accounts payables as follows:

- In the General Fund, audit adjustment of $42,346 was needed to correct current year accounts payable.
- In the SPLOST Fund, audit adjustment of $10,824 was needed to reverse out expenditures that had been posted twice.
- In the Landfill Fund, audit adjustment of $20,003 and $54,297 was needed to correct the landfill closure/postclosure cost liability.

Other Posting Errors – Audit procedures identified other posting errors where material audit adjustments were necessary to correct as follows:

- In the General Fund, audit adjustments of $237,222 were needed to correct the fund balance account.
- In the Landfill Fund, audit adjustment of $202,656 was needed to correct the fund balance account.
- We noted other mispostings that required audit adjustments.

CAUSE

The County experienced turnover in the Commissioner's Office and Finance Department during the year resulting in timely reconciliations not being performed for all accounts. The County was without a Finance Director for most of 2010.

RECOMMENDATION

The County should establish monthly reconciliation procedures to ensure that the subsidiary ledgers are being reconciled to the general ledger. The County should also establish procedures to ensure that all prior year audit entries are properly recorded. The County should review their procedures to ensure that all transactions are being recorded to the proper accounts according to generally accepting accounting principles.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County concurs with the finding. With the turnover in the Finance Director position, staff is now in place to ensure proper reconciliation.

2010-02 Payroll

CRITERIA
An effective system of internal controls over payroll should be designed to insure that payroll is properly disbursed to the appropriate employees, it is properly recorded and all legal requirements are met.

CONDITION
The County payroll system lacked controls to insure that only authorized changes were made to the payroll system.

EFFECT
During 2010, pay rate changes were made to various employees that were not authorized by the appropriate County officials. These changes, which went undetected over a period of time, resulted in pay rates in excess of the levels approved by the Board of Commissioners.

CAUSE
Internal controls over payroll were not sufficient to insure that only authorized changes were made within the system.

RECOMMENDATION
Management should establish internal controls over the payroll system to insure that:

- Pay rates are set at levels approved by the Board of Commissioners.
- Changes to pay rates are made only with written authorization from a responsible official.
- Copies of all written authorizations are maintained in the employee personnel files.
- Management makes random reviews of all pay rates during the year.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
The County concurs with the finding. In January 2011, internal controls were established that allows the County Manager to approve increases based on performance and job duties. The Commissioners are then given the Human Resources report each month to notify them of any payroll changes, terminations, new hires, and overtime.

Compliance Findings

2010-03 SPLOST Project Expenditures

CRITERIA
O.C.G.A 48-8-12 (a) requires that SPLOST proceeds cannot in any manner be comingled with other County funds prior to their expenditure. State law prohibits the expenditure of SPLOST monies for any purposes that were not approved in the SPLOST referendum.

CONDITION
The County incorrectly paid $5,000 to a vendor from the SPLOST Fund which should have been paid from the Landfill Fund. Also, the County incorrectly reimbursed the General Fund twice for invoices totaling $10,824 that were paid from the General Fund but should have been paid from the SPLOST Fund.

EFFECT
The County has not complied with state law that prohibits the use of SPLOST funds for any purposes that were not approved in the SPLOST referendum.

CAUSE
The County did not have adequate internal controls in place to ensure that expenditures were only for approved SPLOST projects.

RECOMMENDATION
Internal controls should be enhanced, which requires proper documentation and approval for expenditure of SPLOST funds prior to the disbursements.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
The County concurs with the finding. The County has reimbursed the 2005 SPLOST Fund in 2011. With appropriate staff in place and a formal list of 2005 SPLOST projects, Finance is aware of what projects are funded through 2005 SPLOST collections.

2010-04 Budgetary Control – Expenditures Exceeding Appropriations (36-81-3)

CRITERIA

In order to comply with the applicable legal requirements regarding budgets, procedures must exist to properly monitor compliance with State law. Georgia code (36-81-3) requires an annual balanced budget for the General Fund and each special revenue fund.

CONDITION

An annual budget was adopted for the General Fund but the County did not properly monitor the legal level of control (the level at which expenditures may not legally exceed appropriations). The General Fund had expenditures in excess of appropriations as follows:

Tax Commissioners Office	$	6,224
Elections		24,659
Registrars		19,690
Financial Administration		54,449
Public Buildings		1,740
Code Enforcement Services		1,640
Animal Control		24,085
Superior Court		12,410
Probate Court		389
Magistrate Court		8,916
Juvenile Court		142
Sheriff's Office		39,484
Jail Operations		43,407
E911		7,700
Public Works		478,956
Emergency Medical Services		14,818
Emergency Management Agency		35,231
Coroner		3,877
Senior Center		10,680
Recreation		79,177
Other Intergovernmental		9,778
Principal		9,100
Interest and Fiscal Charges		44,463
Transfer to Victims Assistance		6,365

An annual budget was adopted for the Law Library and Victims Assistance Special Revenue Funds but there were no supplemental budget amendments after the original budget was adopted. The Law Library Fund had expenditures in excess of appropriations of $26,931, while the Victims Assistance Fund had expenditures in excess of appropriations of $9,105.

EFFECT
The County has not complied with budget requirements established by restrictions of policy, regulation, laws, and contracts. OCGA 36-81-3 requires an annual budget for the general fund and each special revenue fund.

CAUSE
The County did not make a supplemental budget amendment to cover the expenditures that exceeded appropriations.

RECOMMENDATION
Management should evaluate the effectiveness of the annual budget during the year to determine if the County should prepare supplemental budget amendments for the general fund and these special revenue funds in future years.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
The County concurs with the finding. With appropriate staff in place, the Commissioners are made aware of departmental budgets as they are exceeding their monthly year-to-date percentages. Finance has also established a process of requesting budget amendments if a revenue or expenditure was not previously considered for budget.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.