JEFFERSON COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2011

Jefferson County, Georgia
Annual Financial Report
For The Year Ended June 30, 2011

TABLE OF CONTENTS

Financial Section

Independent Auditors' Report 1-2

Management's Discussion and Analysis (Unaudited) 3-11

Basic Financial Statements

Government-wide Financial Statements:
Statement of Net Assets 12
Statement of Activities 13

Fund Financial Statements:

Governmental Funds:
Balance Sheet 14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets 15
Statement of Revenues, Expenditures and Changes in Fund Balances 16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 17

Proprietary Funds:
Statement of Net Assets 18
Statement of Revenues, Expenses, and Changes in Fund Net Assets 19
Statement of Cash Flows 20-21

Fiduciary Funds:
Comparative Statement of Fiduciary Assets and Liabilities 22

Component Units:
Combining Statement of Net Assets 23
Combining Statement of Activities 24

Notes to the Basic Financial Statements 25-41

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – *General Fund* 42
Notes to Required Supplementary Information 43

Supplementary Information
Combining and Individual Fund Statements and Schedules:

Governmental Funds

***General Fund*:**
Comparative Balance Sheet 44
Schedule of Revenues - Budget and Actual 45-46
Schedule of Expenditures - Budget and Actual 47-48

Major Capital Project Funds
SPLOST#2 Capital Projects Fund
Comparative Balance Sheet 49
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 50
SPLOST #3 Capital Projects Fund
Balance Sheet 51
Statement of Revenues, Expenditures and Changes in Fund Balance 52

Non-major Special Revenue Funds:
Combining Balance Sheet 53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 54
Federal Sharing Fund
Comparative Balance Sheet 55
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 56
E-911 Fund
Comparative Balance Sheet 57
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 58
Jail Improvement Fund
Comparative Balance Sheet 59
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 60
Condemned Funds Fund
Comparative Balance Sheet 61
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 62
Drug Abuse T & E Fund
Comparative Balance Sheet 63
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 64
Law Library Fund
Comparative Balance Sheet 65
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 66

Governmental Funds (Continued)
Non-major Special Revenue Funds (Continued):

CDBG 2008 Capital Projects Fund
Comparative Balance Sheet 67
Schedule of Revenues, Expenditures and Changes in Fund Balances 68

Proprietary Funds

Enterprise Funds
Major Enterprise Funds
Water and Sewer Fund
Comparative Statement of Net Assets 69
Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets 70
Solid Waste Fund
Comparative Statement of Net Assets 71
Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets 72

Fiduciary Funds
Agency Funds
Combining Statement of Changes in Assets and Liabilities 73-75

Special Reports Section

Section 5311 Transportation Program
Statement of Revenues and Expenditures 76

Community Development Block Grant (CDBG 2008):
Statement of Source and Application of Funds 77
Statement of Project Cost – Budget and Actual 78

Special Purpose Local Option Sales Tax:
Independent Auditor's Report 79
Schedule of Projects 80-81

Other Reports Section

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* 82-83

Schedule of Findings and Responses 84-85

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INDEPENDENT AUDITORS' REPORT

Honorable Chairman and Members of the
Board of Commissioners of Jefferson County
Louisville, 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 Jefferson County, Georgia, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jefferson County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller 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 provides a reasonable basis for our opinions.

In our opinion, 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 Jefferson County, Georgia, as of June 30, 2011, and its respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2011, on our consideration of the 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 11 and page 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson County, Georgia's financial statements as a whole. The combining and individual nonmajor fund financial statements and the accompanying Schedules of Projects Funded with Special Sales Tax Proceeds are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the Schedules of Projects Funded with Special Sales Tax Proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Jones, Jones, Davis & Associates

Louisville, Georgia
November 3, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Jefferson County, Georgia (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2011. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County's total assets exceeded its total liabilities by $16,593,761 (net assets) at June 30, 2011, which is 9.3% or a $1,694,715 decrease from the June 30, 2010 amount.

- Total June 30, 2011 net assets are comprised of the following:

  (1) Capital assets, net of related debt, of $15,892,075, includes the County's capital assets, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets as compared to $16,061,645 at June 30, 2010.
  (2) Net assets of $261,611 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations as compared to $232,732 at June 30, 2010.
  (3) Unrestricted net assets of $440,075 represent the portion available to maintain the County's continuing obligations to citizens and creditors as compared to $1,994,099 at June 30, 2010.

- The County's governmental funds reported total ending fund balance of $2,397,347 at June 30, 2011. This compares to the prior year ending fund balance of $3,192,941 showing a decrease of $795,594 during the current year. Unassigned fund balance of $1,595,653 at June 30, 2011 shows a $1,312,249 decrease from the prior year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was 1,595,653 or 15.2% of total General Fund expenditures as compared to $1,745,901 at the end of last fiscal year therefore showing a decrease of 8.6% from the prior year.

- Overall, the County continues to maintain a strong financial position, in a very depressed economy.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available. All applicable tables will present comparative data in fiscal year 2011.

Government-wide Financial Statements

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

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

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

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by property and sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general administration, tax administration, court system, public safety, correctional institute, roads department, and health and welfare. Business-type activities include the water and sewer system and the landfill.

The government-wide financial statements are presented on pages 12 and 13 of this report.

Fund Financial Statements

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

The County has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The basic governmental fund financial statements are presented on pages 14 through 17 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the County charges customers a fee. The two County proprietary funds are classified as enterprise funds. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the County organization for water and sewer utilities and the County's landfill. The basic enterprise fund financial statements are presented on pages 18 through 21 of this report.

The County's *fiduciary funds* are all agency funds, which temporarily hold resources for the constitutional officers is presented on page 22 of this report.

Notes to the Basic Financial Statements - The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 25 of this report.

Required Supplementary Information - The budgetary comparison schedule is included as "required supplementary information" for the general fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. The general fund's budgetary schedule is found on page 42.

Other Supplementary Information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the County's nonmajor funds' budget presentations. These statements and schedules demonstrate compliance with the County's adopted and final revised budget. As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 53.

The County's net assets at fiscal year-end are $16,593,761. The following table provides a summary of the County's net assets:

Summary of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current assets	$ 3,086,808	$ 4,211,885	$ 444,296	$ 378,440	$ 3,531,104	$ 4,590,325
Noncurrent:						
Restricted and other	-	-	264,558	235,974	264,558	235,974
Capital assets	12,876,604	13,574,503	3,249,522	3,284,094	16,126,126	16,858,597
Total assets	15,963,412	17,786,388	3,958,376	3,898,508	19,921,788	21,684,896
Liabilities						
Current liabilities	597,155	1,291,763	354,078	155,523	951,233	1,447,286
Long-term liabilities	1,689,265	1,265,133	687,529	684,001	2,376,794	1,949,134
Total liabilities	2,286,420	2,556,896	1,041,607	839,524	3,328,027	3,396,420
Net assets						
Invested in capital assets, net of debt	12,818,553	13,057,249	3,073,522	3,004,396	15,892,075	16,061,645
Restricted	-	-	261,611	232,732	261,611	232,732
Unrestricted	858,439	2,172,243	(418,364)	(178,144)	440,075	1,994,099
Total net assets	$ 13,676,992	$ 15,229,492	$ 2,916,769	$ 3,058,984	$ 16,593,761	$ 18,288,476

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 5.2 to 1 as compared to 3.26 to 1 at June 30, 2010. The current ratio for business-type activities is 1.3 to 1 as compared to 2.4 to 1 at June 30, 2010. For the County overall, the current ratio is 3.7 to 1 as compared to 3.2 to 1 at June 30, 2010. These ratios remain positive but reflect an increase in current ratio for governmental type activities and a decrease in business type activities from the prior year.

The County reported positive balances in net assets for both governmental and business-type activities. Net assets decreased $1,552,500 for governmental activities and decreased by $142,215 for business-type activities. The County's overall financial position decreased during fiscal year 2011.

Note that approximately 93.7% of the governmental activities' net assets are tied up in capital. The County uses these capital assets to provide services to its citizens. However, with business type activities, the County has spent the majority of its net assets on capital. Capital assets in the business-type activities provide water and sewer utility service and solid waste collection and disposal services to the citizens of the County.

The following table provides a summary of the County's changes in net assets:

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program:						
Charges for services	$ 3,159,680	$ 3,260,568	$ 948,374	$ 968,121	$ 4,108,054	$ 4,228,689
Operating grants	272,464	290,719	-	-	272,464	290,719
Capital grants & contributions	96,446	414,718	-	-	96,446	414,718
General:						
Taxes	9,026,226	8,890,738	6,745	-	9,032,971	8,890,738
Other	119,667	176,697	20,100	11,263	139,767	187,960
Total revenues	12,674,483	13,033,440	975,219	979,384	13,649,702	14,012,824
Program Expenses:						
General government	1,524,350	1,495,250	-	-	1,524,350	1,495,250
Judicial	966,666	1,035,765	-	-	966,666	1,035,765
Public safety	5,077,742	4,521,589	-	-	5,077,742	4,521,589
Public works	4,166,842	4,199,480	-	-	4,166,842	4,199,480
Health and welfare	789,394	814,741	-	-	789,394	814,741
Culture and recreation	1,152,455	867,017	-	-	1,152,455	867,017
Conservation of natural resources	87,232	67,863	-	-	87,232	67,863
Economic development	469,560	637,387	-	-	469,560	637,387
Interest	12,842	34,651	-	-	12,842	34,651
Water and sewer	-	-	303,184	285,261	303,184	285,261
Landfill	-	-	794,150	769,974	794,150	769,974
Total expenses	14,247,083	13,673,743	1,097,334	1,055,235	15,344,417	14,728,978
Excess (deficiency)	(1,572,600)	(640,303)	(122,115)	(75,851)	(1,694,715)	(716,154)
Transfers	20,100	-	(20,100)	-	-	-
Change in net assets	(1,552,500)	(640,303)	(142,215)	(75,851)	(1,694,715)	(716,154)
Beginning net assets	15,229,492	15,869,795	3,058,984	3,134,835	18,288,476	19,004,630
Ending net assets	$ 13,676,992	$ 15,229,492	$ 2,916,769	$ 3,058,984	$ 16,593,761	$ 18,288,476

GOVERNMENTAL REVENUES

Property taxes are the largest revenue source with approximately $5.2 million of revenues or 41.4% of the total governmental revenues as compared to 40.9% in fiscal year 2010. The County also is heavily reliant on sales taxes to support governmental operations and capital spending. Sales taxes provided 25.6% of the County's total governmental revenues as compared to 23.3% in fiscal year 2010. Because of its continued healthy financial position, the County earned $9,431 in investment earnings to support governmental operating expenses.

Operating grants reported in the health and welfare function relate to;

- Sec 5311 Van Program grant for rural transit ($226,462)
- Nutrition program grant to provide meals to the elderly and disabled ($34,610)

The capital grant of $89,876 was for culture and recreation gym building, provided by CDBG.

In addition, program revenues decreased $437,415 and covered 24.8% of governmental operating expenses as compared to 29% in fiscal year 2010.

GOVERNMENTAL FUNCTIONAL EXPENSES

Total gross costs increased just $573,340 or 4.2% over fiscal year 2010. The public safety function makes up approximately 35.6% of the total governmental activities expenses this fiscal year as compared to 33.1% last year.

This table presents a comparison of the fiscal years 2011 and 2010 cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

Governmental Activities

	2011		2010	
	Total Cost of Services	**Net Cost of Services**	**Total Cost of Services**	**Net Cost of Services**
General government	$ 1,524,350	$ 1,160,681	$ 1,495,250	$ 1,131,670
Judicial	966,666	842,229	1,035,765	935,503
Public safety	5,077,742	3,890,004	4,521,589	3,177,572
Public works	4,166,842	2,712,870	4,199,480	2,751,497
Health and welfare	789,394	524,429	814,741	522,919
Culture and recreation	1,152,455	1,018,646	867,017	448,676
Conservation of natural resources	87,232	87,232	67,863	67,863
Economic development	469,560	469,560	637,387	637,387
Interest	12,842	12,842	34,651	34,651
Total	$ 14,247,083	$ 10,718,493	$ 13,673,743	$ 9,707,738

After reducing gross expenses by program revenues, public safety represents 36.3% of the net cost of services as compared to 32.7% in last fiscal year.

BUSINESS-TYPE ACTIVITIES

The County operates two enterprise funds, a water and sewer fund and a landfill fund.

Water and Sewer Fund - The operating revenues for this fund increased just $31,082 over fiscal year 2010. Operating expenses increased $18,478 or 6.7% over fiscal year 2010. As a result, the operating loss was reduced $12,604 or 39.3%.

Solid Waste Fund - The operating revenues for this fund were 7% or $50,829 less than the fiscal year 2010 amount and operating expenses were 36.5% or $27,940 more than fiscal year 2010 amount.

Salaries increased $9,318 or 11.2% over fiscal year 2010. This increase is just normal staff/salary fluctuations. The landfill still uses inmate labor and there were no salary increases in this fiscal year.

The closure and post closure care costs decreased $81,794 from the fiscal year 2010 amount. In 2010, a major adjustment to estimated closure and post closure care costs was recorded due to changes mandated by the Georgia Department of Environmental Protection and our engineers. The current year cost is reflective of usage of capacity in the current year and is in-line with normal costs.

The operating loss of the Solid Waste Fund was $119,002 as compared to an operating loss of $40,233 in fiscal year 2010. The change in net assets was a decrease of $114,484 versus a decrease of $38,814 in fiscal year 2010.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $2,397,347. Of this year-end total, $1,595,653 is unassigned indicating availability for continuing County service requirements. This unassigned amount shows a decrease of $150,248 from fiscal year 2010. Legally restricted fund balances include $472,562 for SPLOST funds and $244,249 for restricted program, generally for public safety. The total ending fund balances of governmental funds show a decrease of $795,594 from the prior year.

General Fund - The general fund is the County's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance was $1,680,536, which is a decrease of $350,404 from fiscal year 2010.

Total taxes for the general fund were almost identical to those in fiscal year 2010. Property taxes increased $75,158 or 1.6% over the fiscal year 2010 amount.

In total, the fiscal year 2011 intergovernmental revenue account inmate costs reimbursements and rebates account was $55,764 or 4.2% more than fiscal year 2010. There were higher inmate medical costs, of which the State of Georgia reimburses the County for a portion of these costs, resulting in higher revenues.

Fines and forfeitures revenue is down from fiscal year 2010 by $102,723 or 17.8%. The state and superior court revenues are $73,373 or 25.1% below the fiscal year 2010. Finally, sheriff fees were down by $51,667 or 28.5% from fiscal year 2010. All of these decreases can be explained because of administrative delays in the clerk of court office in the processing of court fines, forfeitures and fees, which led to the decrease in revenues coupled with fewer tickets issued and fewer people paying their citations.

On the expenditure side, total general fund expenditures decreased by $216,666 or 2.0% from fiscal year 2010.

Expenditures for the judicial function decreased $71,137, or 7%. State and superior courts costs were down $49,205 or 7.2% as explained above.

The total public works function expenditures decreased $134,081or 3.8%. Correction institute costs increased $87,114 or 4.5% resulting from increased medical, food and utility costs. Road department costs were down $214,924 or 17.5% because in this fiscal year, the County did not have any major road projects during the fiscal year.

The General Fund's ending fund balance is $350,404 less than the prior year. The June 30, 2011 unassigned fund balance of 1,595,653, is considered adequate, and represents the equivalent of 15.2% of annual expenditures. This percentage will be reviewed throughout the upcoming year and every effort will be made to increase this amount equal to three months of expenditures on hand to cover operational expenditures.

SPLOST #2 Fund – This fund accounts for the County's second special purpose local option sales taxes. Taxes totaling $1,095,552 were recognized in fiscal year 2011. For the fiscal year 2011, $643,122 was distributed to the cities within the County, $553,275 was expended on capital outlay and $396,840 was used for debt service. The ending fund balance was $201,308.

SPLOST #3 Fund – This fund accounts for the County's third special purpose local option sales taxes. Taxes totaling $1,011,001 were recognized in fiscal year 2011. For the fiscal year 2011, $601,855 was distributed to the cities within the County and $137,892 was expended on capital outlay. The ending fund balance was $271,254.

The Proprietary Fund

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, the analysis is presented above.

General Fund Budgetary Highlights

The revenue and expenditure budget were amended upward $72,616.

Total revenues were below the final budget amount by $389,393 or 3.7%. General property taxes were $70,971 above budget, primarily due to tax collections, which relates to improving tax collections.

Jail subsidies were $109,274 below the fiscal year 2011 final budget because this 2011 budget included anticipated jail subsidies for the housing of federal inmates, but the federal Marshalls did not utilize the jail's available space. On the expenditure side, the total general fund budget was under spent by $10,998. Under general government function, the office of the clerk and superior courts budget was under spent by $24,654 due to some planned office renovation projects that did not occur.

The sheriff's budget was under spent by $55,612 or 4.5% due to some planned activities that did not occur.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2011 was $12,876,604 and $3,249,522 respectively.

(This page continued on the subsequent page)

The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2011	2010	2011	2010	2011	2010
Nondepreciable assets:						
Land	$ 935,851	$ 935,851	$ -	$ -	$ 935,851	$ 935,851
Construction in progress	-	721,737	-	-	-	721,737
Total nondepreciable	935,851	1,657,588	-	-	935,851	1,657,588
Depreciable assets:						
Land improvements	-	-	2,893,951	2,591,730	2,893,951	2,591,730
Roads and infrastructure	795,578	776,673	-	-	795,578	776,673
Buildings and improvements	12,158,885	10,810,698	618,209	618,209	12,777,094	11,428,907
Water and sewer systems	-	-	2,074,275	2,062,169	2,074,275	2,062,169
Fixed equipment	807,206	807,206	2,080,514	2,098,653	2,887,720	2,905,859
Vehicles	1,919,387	2,586,700	-	-	1,919,387	2,586,700
Mobile equipment	1,801,561	1,993,761	-	-	1,801,561	1,993,761
Total depreciable assets	17,482,617	16,975,038	7,666,949	7,370,761	25,149,566	24,345,799
Less accumulated depreciation	5,541,864	5,058,123	4,417,427	4,086,667	9,959,291	9,144,790
Book value - depreciable assets	11,940,753	11,916,915	3,249,522	3,284,094	15,190,275	15,201,009
Percentage depreciated	32%	30%	58%	55%	40%	38%
Book value - all assets	$ 12,876,604	$ 13,574,503	$ 3,249,522	$ 3,284,094	$ 16,126,126	$ 16,858,597

At June 30, 2011, the depreciable capital assets for all activities were 40% depreciated. This compares to the June 30, 2010 percentage of 38%. This comparison indicates that the County is replacing its assets at about the same rate as they are depreciating which is a positive indicator.

The large $830,855 reduction in the vehicle classification relates to vehicles purchased through SPLOST. Under the SPLOST agreement with the municipalities, the County purchased public safety vehicles (fire and rescue vehicles) for the municipalities within the County. The County purchased these vehicles under capital lease agreements and once the capital leases were repaid, ownership of the vehicles was transferred to the municipalities.

The reduction of the construction in progress, per above, relates to the new gym that was put into service.

Long-term Debt

The following table compares the long-term debt outstanding at June 30, 2011 and 2010.

Outstanding Borrowings

	Governmental Activities		Business-type Activities		Totals		% Change
	2011	2010	2011	2010	2011	2010	
Capital leases	$ 58,051	$ 517,254	$ -	$ 91,698	$ 58,051	$ 608,952	-90%
Revenue bonds	-	-	176,000	188,000	176,000	188,000	-6%
Landfill closure and postclosure care	1,751,650	1,259,566	523,529	508,001	2,275,179	1,767,567	29%
Compensated absences	80,095	70,530	-	-	80,095	70,530	14%
Total	$ 1,889,796	$ 1,847,350	$ 699,529	$ 787,699	$ 2,589,325	$ 2,635,049	-2%

The governmental activities capital leases are scheduled to be repaid in 2015. The business-type activities revenue bonds will be fully retired in 2022.

See Note 3-H for additional information about the County's long-term debt. We discuss the landfill closure and postclosure care liability in Note 3-G.

Economic Conditions Affecting the County

Jefferson County is part of the 11-county Central Savannah River Area (CSRA), and is located approximately 30 miles from Augusta, 20 miles from Fort Gordon, and 20 miles from Interstate 20 and 30 miles from Interstate 16. Incorporated areas include Louisville, Wadley & Wrens (population approximately 2,500 per city) and Bartow, Stapleton, & Avera (population approximately 300 per city).

Jefferson County has 527.7 sq. miles and a population density of 32.2 per square miles based on the Census of 2000. The 2010 *County Guide* estimates Jefferson County countywide census 16,930. The *2010 County Guide* indicates that the Jefferson County unemployment to be 8.5 % which is well above the rate of 5.3% for the State of Georgia. The estimated median household income is $ 27,117 is well below the state average of $42,421.

Counties in Georgia are divided into tiers based on economic viability. The tier levels range from 1 to 3 with 3 being the highest or best level. The Department of Community Affairs ranks Jefferson County 9th in Job Tax Credit rankings, which places the county in Tier 1.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Administrator at 217 East Broad Street, Louisville, Georgia, 30434, or call (478) 625-3332.

Jefferson County, Georgia
Statement of Net Assets
June 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	$ 2,119,948	$ 357,274	$ 2,477,222	$2,458,519
Receivables:				
Accounts	42,680	87,022	129,702	-
Property taxes	341,936	-	341,936	16,879
Sales taxes	276,907	-	276,907	-
Intergovernmental	220,454	-	220,454	47,081
Other	-	-	-	146,275
Inventory	26,456	-	26,456	-
Prepaid items	58,427	-	58,427	-
Restricted Assets	-	261,611	261,611	-
Deferred Charges	-	2,947	2,947	-
Capital Assets				
Nondepreciable capital assets	935,851	-	935,851	3,291,590
Depreciable capital assets, net	11,940,753	3,249,522	15,190,275	2,806,289
Total Assets	15,963,412	3,958,376	19,921,788	8,766,633
Liabilities				
Current Liabilities				
Accounts payable	241,690	313,430	555,120	101,642
Accrued expenses	47,499	-	47,499	-
Other liabilities	107,435	79	107,514	11,684
Customer deposits	-	20,911	20,911	-
Compensated absences payable	80,095	7,658	87,753	19,158
Capital leases payable	44,277	-	44,277	-
Notes payable	-	-	-	121,673
Revenue bonds payable	-	12,000	12,000	-
Landfill postclosure care costs payable	76,159	-	76,159	-
Long-Term Liabilities:				
Landfill postclosure care costs payable (net of current portion)	1,675,491	523,529	2,199,020	-
Compensated absences payable (net of current portion)	-	-	-	40,005
Capital leases payable (net of current portion)	13,774	-	13,774	-
Revenue bonds payable (net of current portion)	-	164,000	164,000	-
Total Liabilities	2,286,420	1,041,607	3,328,027	294,162
Net Assets				
Invested in capital assets, net of related debt	12,818,553	3,073,522	15,892,075	5,976,206
Restricted	-	261,611	261,611	128,418
Unrestricted	858,439	(418,364)	440,075	2,367,847
Total Net Assets	$ 13,676,992	$ 2,916,769	$ 16,593,761	$8,472,471

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Statement of Activities
For the Year Ended June 30, 2011

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants, Contributions and Interest	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	$ 1,524,350	$ 356,852	$ 6,817	$ -	$ (1,160,681)	$ -	$ (1,160,681)	$ -
Judicial	966,666	124,437	-	-	(842,229)	-	(842,229)	-
Public safety	5,077,742	1,187,738	-	-	(3,890,004)	-	(3,890,004)	-
Public works	4,166,842	1,453,972	-	-	(2,712,870)	-	(2,712,870)	-
Health and welfare	789,394	3,893	261,072	-	(524,429)	-	(524,429)	-
Culture and recreation	1,152,455	32,788	4,575	96,446	(1,018,646)	-	(1,018,646)	-
Conservation of natural resources	87,232	-	-	-	(87,232)	-	(87,232)	-
Economic development	469,560	-	-	-	(469,560)	-	(469,560)	-
Interest	12,842	-	-	-	(12,842)	-	(12,842)	-
Total Governmental Activities	14,247,083	3,159,680	272,464	96,446	(10,718,493)	-	(10,718,493)	-
Business-Type Activities								
Water and sewer	303,184	274,330	-	-	-	(28,854)	(28,854)	-
Solid waste	794,150	674,044	-	-	-	(120,106)	(120,106)	-
Total Business-Type Activities	1,097,334	948,374	-	-	-	(148,960)	(148,960)	-
Total - Primary Government	$ 15,344,417	$ 4,108,054	$ 272,464	$ 96,446	(10,718,493)	(148,960)	(10,867,453)	-
Component Units								
Department of Health	$ 543,317	$ 238,915	$ 344,567	$ -	-	-	-	40,165
Development Authority	308,737	208,674	-	790,390	-	-	-	690,327
Library System	420,706	22,862	380,225	-	-	-	-	(17,619)
Total - Component Units	$ 1,272,760	$ 470,451	$ 724,792	$ 790,390	-	-	-	712,873
		General Revenues						
		Property taxes			5,242,490	-	5,242,490	321,476
		Sales taxes			3,243,915	-	3,243,915	-
		Insurance premium taxes			443,429	-	443,429	-
		Other taxes			96,392	-	96,392	444
		Investment earnings			9,431	6,745	16,176	6,663
		Miscellaneous			110,236	20,100	130,336	1,828
		Total General Revenues			9,145,893	26,845	9,172,738	330,411
		Transfers			20,100	(20,100)	-	-
		Total General Revenues and Transfers			9,165,993	6,745	9,172,738	330,411
		Change in Net Assets			(1,552,500)	(142,215)	(1,694,715)	1,043,284
		Net Assets, Beginning of Year			15,229,492	3,058,984	18,288,476	7,429,187
		Net Assets, End of Year			$ 13,676,992	$ 2,916,769	$ 16,593,761	$ 8,472,471

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Balance Sheet
Governmental Funds
June 30, 2011

	General	SPLOST #2 Capital Projects	SPLOST #3 Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 1,498,564	$ 201,308	$ 198,731	$ 221,345	$ 2,119,948
Prepaid items	58,427	-	-	-	58,427
Receivables:					
Accounts	-	-	-	42,680	42,680
Property taxes	341,936	-	-	-	341,936
Sales taxes	96,949	-	179,958	-	276,907
Intergovernmental	220,454	-	-	-	220,454
Inventory	26,456	-	-	-	26,456
Total Assets	$ 2,242,786	$ 201,308	$ 378,689	$ 264,025	$ 3,086,808
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 225,082	$ -	$ -	$ 16,608	$ 241,690
Accrued expenses	44,331	-	-	3,168	47,499
Other liabilities	-	-	107,435	-	107,435
Deferred revenue	292,837	-	-	-	292,837
Total Liabilities	562,250	-	107,435	19,776	689,461
Fund Balances					
Nonspendable					
Inventory	26,456	-	-	-	26,456
Prepaid items	58,427	-	-	-	58,427
Unassigned	1,595,653	-	-	-	1,595,653
Restricted					
Special revenue	-	-	-	244,249	244,249
Capital projects	-	201,308	271,254	-	472,562
Total Fund Balances (Deficits)	1,680,536	201,308	271,254	244,249	2,397,347
Total Liabilities and Fund Balances	$ 2,242,786	$ 201,308	$ 378,689	$ 264,025	$ 3,086,808

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2011

Total Governmental Fund Balances		$ 2,397,347
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore 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 capital assets	$ 18,418,468	
Less accumulated depreciation	(5,541,864)	12,876,604
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		292,837
Liabilities, including capital leases, compensated absences and landfill post closure care costs, are not due and payable in the current period and therefore are not reported in the funds:		
Capital leases	(58,051)	
Compensated absences	(80,095)	
Landfill postclosure costs payable	(1,751,650)	(1,889,796)
Net Assets of Governmental Activities		$ 13,676,992

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

Revenues	General	SPLOST #2 Capital Projects	SPLOST #3 Capital Projects	Other Governmental Funds	Total Governmental Funds
Taxes	$ 6,936,234	$ 1,095,552	$ 1,011,001	$ -	$ 9,042,787
Intergovernmental	2,225,256	-	-	89,876	2,315,132
Charges for services	-	-	-	252,089	252,089
Fines, forfeitures and fees	472,811	-	-	88,455	561,266
Investment earnings	7,751	6,570	-	1,680	16,001
Licenses and permits	35,392	-	-	-	35,392
Miscellaneous	524,084	-	-	-	524,084
Total Revenues	10,201,528	1,102,122	1,011,001	432,100	12,746,751
Expenditures					
Current:					
General government	1,461,981	-	-	-	1,461,981
Judicial	947,259	-	-	19,438	966,697
Public safety	3,391,740	-	-	615,941	4,007,681
Public works	3,350,086	-	-	-	3,350,086
Health and welfare	735,790	-	-	-	735,790
Culture and recreation	385,567	-	-	-	385,567
Conservation of natural resources	81,532	-	-	-	81,532
Intergovernmental	-	643,122	601,855	-	1,244,977
Capital Outlay	-	553,275	137,892	89,876	781,043
Debt Service:					
Principal retirement	68,244	390,959	-	-	459,203
Interest and fiscal charges	6,961	5,881	-	-	12,842
Landfill closure/monitoring	75,046	-	-	-	75,046
Total Expenditures	10,504,206	1,593,237	739,747	725,255	13,562,445
Excess (Deficiency) of Revenues Over (Under) Expenditures	(302,678)	(491,115)	271,254	(293,155)	(815,694)
Other Financing Sources (Uses)					
Transfers in (out), net	(47,726)	-	-	67,826	20,100
Net Change in Fund Balances	(350,404)	(491,115)	271,254	(225,329)	(795,594)
Fund Balances, Beginning of Year	2,030,940	692,423	-	469,578	3,192,941
Fund Balances, End of Year	$ 1,680,536	$ 201,308	$ 271,254	$ 244,249	$ 2,397,347

See accompanying notes to the basic financial statements.

Jefferson County, Georgia

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2011

Net Changes In Fund Balances - Total Governmental Funds		$ (795,594)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Capital outlay	$ 816,697	
Depreciation expense	(624,631)	192,066
The book value of disposed capital assets is reported on the government-wide statement of activities but not reported at the fund financial reporting level.		(157,332)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes:		
Deferred, end of year	$ 292,837	
Deferred, beginning of year	(309,398)	(16,561)
Elimination of transfers between governmental funds:		
Transfers in	$ 111,756	
Transfers out	(111,756)	-
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.		459,203
The book value of capital assets contributed to municpalities is reported on the statement of activities but not reported on the governmental funds.		(732,633)
Certain liabilities are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences:		
Liability, end of year	$ (80,095)	
Liability, beginning of year	70,530	(9,565)
Landfill post-closure care:		
Liability, end of year	(1,751,650)	
Liability, beginning of year	1,259,566	(492,084)
Change In Net Assets of Governmental Activities		$ (1,552,500)

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities - Enterprise Funds		
Assets	**Water and Sewer**	**Solid Waste**	**Total**
Current Assets:			
Cash and cash equivalents	$ 171,205	$ 186,069	$ 357,274
Accounts receivable	28,292	58,730	87,022
Total Current Assets	199,497	244,799	444,296
Noncurrent Assets:			
Restricted Assets:			
Cash and cash equivalents	-	261,611	261,611
Deferred Charges	2,947	-	2,947
Capital Assets:			
Depreciable, net	943,805	2,305,717	3,249,522
Total Noncurrent Assets	946,752	2,567,328	3,514,080
Total Assets	1,146,249	2,812,127	3,958,376
Liabilities			
Current Liabilities:			
Accounts payable	13,717	299,713	313,430
Other liabilities	79	-	79
Compensated absences	2,605	5,053	7,658
Customer deposits	20,911	-	20,911
Revenue bonds payable	12,000	-	12,000
Total Current Liabilities	49,312	304,766	354,078
Long-Term Liabilities:			
Revenue bonds payable (net of current portion)	164,000	-	164,000
Landfill closure/postclosure care costs	-	523,529	523,529
Total Long-Term Liabilities	164,000	523,529	687,529
Total Liabilities	213,312	828,295	1,041,607
Net Assets			
Invested in capital assets, net of related debt	767,805	2,305,717	3,073,522
Restricted for landfill trust purposes	-	261,611	261,611
Unrestricted	165,132	(583,496)	(418,364)
Total Net Assets	$ 932,937	$ 1,983,832	$ 2,916,769

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Solid Waste	Total
Operating Revenues			
Charges for services	$ 262,259	$ 245,827	$ 508,086
Solid waste maintenance fees	-	401,305	401,305
Miscellaneous	12,071	26,912	38,983
Total Operating Revenues	274,330	674,044	948,374
Operating Expenses			
Cost of water	104,383	-	104,383
Salaries	67,192	93,862	161,054
Employee benefits	28,873	32,596	61,469
Repairs	9,904	75,912	85,816
Supplies	-	51,683	51,683
Utilities	6,067	7,685	13,752
Other	30,805	213,146	243,951
Landfill closure/postclosure care costs	-	15,528	15,528
Depreciation	46,265	302,634	348,899
Amortization	295	-	295
Total Operating Expenses	293,784	793,046	1,086,830
Operating Income (Loss)	(19,454)	(119,002)	(138,456)
Non-Operating Revenues (Expenses)			
Interest and fiscal charges	(9,400)	(1,104)	(10,504)
Gain on sale of assets	-	20,100	20,100
Investment earnings	1,123	5,622	6,745
Total Non-Operating Revenues (Expenses)	(8,277)	24,618	16,341
Income (Loss) before Transfers	(27,731)	(94,384)	(122,115)
Transfers in (out)	-	(20,100)	(20,100)
Change in Net Assets	(27,731)	(114,484)	(142,215)
Net Assets, Beginning of Year	960,668	2,098,316	3,058,984
Net Assets, End of Year	$ 932,937	$ 1,983,832	$ 2,916,769

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Solid Waste	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from customers	$ 267,607	$ 666,590	$ 934,197
Cash payments to employees for services	(67,259)	(92,671)	(159,930)
Cash payments for employee benefits	(28,873)	(32,596)	(61,469)
Cash payments for goods and services	(148,701)	(139,716)	(288,417)
Net Cash Provided by (Used in) Operating Activities	22,774	401,607	424,381
Cash Flows from Noncapital Financing Activities			
Transfers in (out)	-	(20,100)	(20,100)
Net Cash Provided by (Used in) Noncapital Financing Activities	-	(20,100)	(20,100)
Cash Flows from Capital and Related Financing Activities			
Principal paid on revenue bonds	(12,000)	-	(12,000)
Interest paid on revenue bonds	(9,400)	-	(9,400)
Principal paid on leases	-	(91,698)	(91,698)
Interest paid on leases	-	(1,104)	(1,104)
Proceeds from sale of equipment	-	20,100	20,100
Payments for capital acquisitions	(12,106)	(302,221)	(314,327)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(33,506)	(374,923)	(408,429)
Cash Flows from Investing Activities			
Investment earnings	1,123	5,622	6,745
Net Increase (Decrease) in Cash and Cash Equivalents	(9,609)	12,206	2,597
Cash and Cash Equivalents, Beginning of Year	180,814	435,474	616,288
Cash and Cash Equivalents, End of Year	$ 171,205	$ 447,680	$ 618,885

Continued

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

Continued

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Solid Waste	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ (19,454)	$ (119,002)	$ (138,456)
Adjustments:			
Depreciation and amortization	46,560	302,634	349,194
Change in estimate of closure and post-closure care	-	15,528	15,528
(Increase) Decrease in Assets:			
Accounts receivable	(7,518)	(7,454)	(14,972)
Increase (Decrease) in Liabilities:			
Accounts payable	2,620	285,876	288,496
Other liabilities	(162)	-	(162)
Compensated absences payable	(67)	1,191	1,124
Customer deposits	795	-	795
Interfund payable	-	(77,166)	(77,166)
Net Cash Provided by (Used in) Operating Activities	$ 22,774	$ 401,607	$ 424,381

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Comparative Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 1,040,465	$ 979,427
Liabilities		
Due to others	$ 1,040,465	$ 979,427
Total Liabilities	$ 1,040,465	$ 979,427

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Combining Statement of Net Assets
Component Units
June 30, 2011

	Jefferson County Department of Health	Development Authority of Jefferson County	Jefferson County Library System	Total
Assets				
Current:				
Cash and cash equivalents	$ 164,477	$ 1,873,952	$ 420,090	$ 2,458,519
Receivables:				
Taxes	-	16,879	-	16,879
Intergovernmental	-	45,805	1,276	47,081
Other	26,179	119,061	1,035	146,275
Capital Assets:				
Nondepreciable capital assets	-	3,291,590	-	3,291,590
Depreciable capital assets, net	1,298	2,605,492	199,499	2,806,289
Total Assets	191,954	7,952,779	621,900	8,766,633
Liabilities				
Current Liabilities:				
Accounts payable	3,426	97,191	1,025	101,642
Other liabilities	-	3,008	8,676	11,684
Compensated absences	19,158	-	-	19,158
Notes payable	-	121,673	-	121,673
Long-term Liabilities				
Compensated absences	26,954	-	13,051	40,005
Total Liabilities	49,538	221,872	22,752	294,162
Net Assets				
Invested in capital assets, net of related debt	1,298	5,775,409	199,499	5,976,206
Restricted	118,815	-	9,603	128,418
Unrestricted	22,303	1,955,498	390,046	2,367,847
Total Net Assets	$ 142,416	$ 7,730,907	$ 599,148	$ 8,472,471

See accompanying notes to the basic financial statements.

Jefferson County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2011

	Jefferson County Department of Health	Development Authority of Jefferson County	Jefferson County Library System	Total
Expenses				
Health and welfare	$ 543,317	$ -	$ -	$ 543,317
Culture and recreation	-	-	420,706	420,706
Economic development	-	304,666	-	304,666
Interest	-	4,071	-	4,071
Total Expenses	543,317	308,737	420,706	1,272,760
Revenues				
Program revenues:				
Charges for services	238,915	208,674	22,862	470,451
Operating grants and contributions	344,567	-	380,225	724,792
Capital grants and contributions	-	790,390	-	790,390
Total Program Revenues	583,482	999,064	403,087	1,985,633
Net Program (Expense)	40,165	690,327	(17,619)	712,873
General Revenues				
Property taxes	-	321,476	-	321,476
Other taxes	-	444	-	444
Investment earnings	15	121	6,527	6,663
Miscellaneous	-	-	1,828	1,828
Total General Revenues	15	322,041	8,355	330,411
Change in Net Assets	40,180	1,012,368	(9,264)	1,043,284
Net Assets, Beginning of Year	102,236	6,718,539	608,412	7,429,187
Net Assets, End of Year	$ 142,416	$ 7,730,907	$ 599,148	$ 8,472,471

See accompanying notes to the basic financial statements.

Index

Summary of Significant Accounting Policies 1
Reporting Entity 1-A
Basis of Presentation 1-B
Measurement Focus 1-C
Basis of Accounting 1-D
Assets, Liabilities and Fund Equity 1-E
Cash, Cash Equivalents and Investments 1-E-1
Receivables 1-E-2
Interfund Balances 1-E-3
Consumable Inventories 1-E-4
Prepaid Items 1-E-5
Restricted Assets 1-E-6
Capital Assets 1-E-7
Compensated Absences 1-E-8
Accrued Liabilities and Long-term Obligations 1-E-9
Bond Premiums, Discounts and Issuance Costs 1-E-10
Fund Equity 1-E-11
Operating Revenues and Expenses 1-E-12
Contributions of Capital 1-E-13
Interfund Activity 1-E-14
Estimates 1-E-15
Comparative Data 1-E-16

Stewardship, Compliance and Accountability 2
Budgetary Information 2-A

Detailed Notes on All Funds 3
Deposits and Investments 3-A
Receivables 3-B
Property Taxes 3-C
Capital Assets 3-D
Interfund Balances and Transfers 3-E
Compensated Absences 3-F
Landfill Closure and Post-closure Care Costs 3-G
Long-Term Debt 3-H
Pension 3-I
Net Assets 3-J

Other Notes 4
Risk Management 4-A
Contingent Liabilities 4-B
Commitments 4-C
Joint Ventures 4-D

Jefferson County, Georgia (the County) is a political subdivision of the State of Georgia. The County is governed by a five member elected board of county commissioners which is governed by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge, Magistrate Court Judge and Clerk of Superior Court. The cost of operations of the Superior Court Judges and the District Attorney, which are elected court functions, is shared with the State of Georgia. Only that portion of the cost for which the County is responsible is reported in the County's financial statements.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental 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 various constitutional officers including the Clerk of Court, the Sheriff, the Probate Court, the Tax Commissioner and the Magistrate Court.

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:

Jefferson County Department of Health (the Health Department) – The Health Department works to promote and preserve the health of the citizens of the County. The Health Department board consists of seven members, four of these members are appointed by the county commission. Although the County does not have the authority to approve or modify the Department of Health's budgets, it does have the ability to control the amount of funding it provides to the Health Department and such funding is significant to the overall operations of the Department of Health. Complete financial statements for the Health Department may be obtained from its administrative office.

The Development Authority of Jefferson County (the Development Authority) – The Development Authority is responsible for encouraging economic development within the County. The county commission appoints a majority of the members of the authority board. Complete financial statements may be obtained from its administrative office.

Jefferson County Library System (the Library) – The Library operates to provide public library services with costs shared by participating local government agencies and grants from the State of Georgia. The county commission appoints a majority of the members of the governing board. Complete financial statements may be obtained from its administrative office.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 for the County as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. 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 the 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 it's 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 government and proprietary funds.

Major individual governmental and business-type activities 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:

Note 1 - Summary of Significant Accounting Policies (Continued)

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 SPLOST #2 Capital Projects Fund – This fund is used to account for the acquisition or construction of capital projects authorized and funded by the 2006 special local option sales tax.

The SPLOST #3 Capital Projects Fund – This fund is used to account for the acquisition or construction of capital projects and intergovernmental expenditures authorized and funded by the 2011 special local option sales tax.

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 major enterprise funds as follows:

The Water and Sewer Fund – This fund is used to account for the County's water and sewer system.

The Solid Waste Fund – This fund is used to account for the County's solid waste program.

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 revenues, expenses and 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 and fiduciary funds use the 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

On the government-wide statement of net assets, deferred revenue is reclassified as "unearned revenue."

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 I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for un-collectibles, where applicable. Uncollected and unbilled water/sewer charges and landfill user charges are accrued as receivables and revenue at June 30, 2011.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term inter-fund loans are classified as "inter-fund receivables/inter-fund 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 Consumable Inventories

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

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first in, first out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed. Inventories of the proprietary funds are expensed when consumed.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

1-E-6 Restricted Assets

As of June 30, 2011, the County, in accordance with state and federal guidelines, held $ 261,611 in a trust to finance estimated landfill closure and post-closure care costs.

1-E-7 Capital Assets

General 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 Government 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's infrastructure consists of roads and bridges. Currently, the County is reporting its infrastructure prospectively beginning with fiscal year 2004. Improvements to capital assets are capitalized. 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 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:

Note 1 - Summary of Significant Accounting Policies (Continued)

	Estimated Lives	
Asset Class	Governmental Activities	Business-type Activities
Buildings	20-40 Years	40 Years
Fixed equipment	5-20 Years	---
Vehicles	5 Years	---
Mobile equipment	15-20 Years	---
Roads and infrastructure	40-50 Years	---
Equipment	---	5-25 Years
Site improvements	---	19-76 Years
Water/sewer system components	---	5-50 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-8 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 accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

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-9 Accrued Liabilities and Long-term Obligations

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

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

1-E-10 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 expenditure.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-11 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. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

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

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

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

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

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

- Committed
- Assigned
- Unassigned

Net Assets - Net assets represent the difference between assets and liabilities. 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-12 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 and sewer and solid waste. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of each fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-13 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-14 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 inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after the 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-15 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.

1-E-16 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been restated and reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A. 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, special revenue and debt service fund budgets 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.

Total appropriations for any fund may be increased if, during the year, sources of revenue become available to the County in excess of original anticipations, and these amounts are anticipated by the Finance Committee and subsequently appropriated by the Board of Commissioners. 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 Commissioners.

Note 3 – Detailed Notes on All Funds

Department directors may approve budget transfers within departments, with certain exceptions. During the year, the Board of Commissioners approved budget revisions. All unexpended annual appropriations lapse at year-end.
The following functions overspent the final 2011 budget:

General Fund:	
Public works	$ 44,740
Debt service - principal	5,618
Debt service – interest	1,089

3-A. Deposits and Investments

Custodial Credit Risk - Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be recovered. The County's custodial credit risk policy requires all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits.

At June 30, 2011, the carrying amount of the County's deposits totaled $ 3,779,298 and the bank balances of these deposits were $ 3,944,560. Of the bank balance, $ 1,633,841 was covered by federal depository insurance and the remaining balance was covered by collateral held by the financial institution's investment agent in the County's name.

At June 30, 2011 the County's component units' carrying amount of deposits totaled $ 2,458,519 and the bank balance of these deposits was $ 2,504,604. Of the bank balance, $ 2,256,773 was covered by federal depository insurance and remainder was collateralized with securities held by the pledging financial institution's trust department or agent in the component units' name.

Cash & Investment Reconciliation:

	Cash and Cash Equivalents
Fund Reporting Level:	
Governmental Funds - Balance Sheet	$ 2,119,948
Proprietary Fund Type Statement of Net Assets	357,274
Proprietary Fund Type Statement of Net Assets - Restricted Assets	261,611
Statement of Fiduciary Assets and Liablilities	1,040,465
Total	$ 3,779,298

3-B. Receivables

Receivables at June 30, 2011, 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, collectability.

3-C. Property Taxes

County property taxes are based on assessments of property values on January 1, 2010, assessed by the County Tax Assessors' office. The digest is prepared by the assessor's office and verified by the Georgia Department of Revenue. The Board of Commissioners set the property tax millage rate in July 2010. Property tax bills were mailed on October 1, 2010 and were due by December 20, 2010. Property taxes attach as an enforceable lien on property as of January 1. The County bills and collects its own property taxes and also collects property taxes for the County Board of Education and the State of Georgia. Any taxes not paid by due date are considered delinquent and are subject to a 10% penalty and an interest charge. If taxes remain delinquent by May of the following year, a fifa is issued against the property, and the county can advertise and sell the property at a tax sale.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Deducitons	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Nondepreciable capital assets:				
Land	$ 935,851	$ -	$ -	$ 935,851
Construction in progress- buildings	721,737	-	721,737	-
Total capital assets not being depreciated	1,657,588	-	721,737	935,851
Depreciable capital assets:				
Buildings	10,810,698	1,348,187	-	12,158,885
Fixed equipment	807,206	-	-	807,206
Vehicles	2,586,700	163,542	830,855	1,919,387
Roads and infrastructure	776,673	18,905	-	795,578
Mobile equipment	1,993,761	7,800	200,000	1,801,561
Total depreciable capital assets	16,975,038	1,538,434	1,030,855	17,482,617
Total capital assets	18,632,626	1,538,434	1,752,592	18,418,468
Accumulated depreciation:				
Buildings	2,816,282	300,611	-	3,116,893
Fixed equipment	419,085	42,216	-	461,301
Vehicles	752,736	172,923	98,222	827,437
Roads	89,101	26,283	-	115,384
Mobile equipment	980,919	82,598	42,668	1,020,849
Total accumulated depreciation	5,058,123	624,631	140,890	5,541,864
Governmental activitivties capital assets, net	$ 13,574,503	$ 913,803	$ 1,611,702	$ 12,876,604

Governmental activities depreciation expense:

General government	$ 62,040
Public safety	304,858
Public works	171,344
Health and welfare	52,824
Culture and recreation	27,865
Conservation of natural resources	5,700
Total governmental activities depreciation expense	$ 624,631

Note 3 - Detailed Notes on All Funds (Continued)

	Beginning Balance	Additions	Deductions	Ending Balance
BUSINESS-TYPE ACTIVITIES:				
Depreciable capital assets:				
Land improvements	$ 2,591,730	$ 302,221	$ -	$ 2,893,951
Buildings and improvements	618,209	-	-	618,209
Water and sewer system	2,062,169	12,106	-	2,074,275
Machinery and equipment	2,098,653	-	18,139	2,080,514
Total depreciable capital assets	7,370,761	314,327	18,139	7,666,949
Accumulated depreciation:				
Land improvements	1,363,761	178,788	-	1,542,549
Buildings and improvements	177,530	15,457	-	192,987
Water and sewer system	1,042,384	103,253	-	1,145,637
Machinery and equipment	1,502,992	51,401	18,139	1,536,254
Total accumulated depreciation	4,086,667	348,899	18,139	4,417,427
Business-type activities capital assets, net	$ 3,284,094	$ (34,572)	$ -	$ 3,249,522

	Beginning Balance	Additions	Deductions	Ending Balance
COMPONENT UNITS:				
Non-depreciable capital assets:				
Land	$ 2,456,671	$ 311,763	$ -	$ 2,768,434
Construction in progress	-	523,156	-	523,156
Total non-depreciable capital assets	2,456,671	834,919	-	3,291,590
Buildings and improvements	3,010,449	9,682	-	3,020,131
Library collections	644,755	16,454	21,855	639,354
Equipment and vehicles	166,519	-	-	166,519
Total depreciable capital assets	3,821,723	26,136	21,855	3,826,004
Total capital assets	6,278,394	861,055	21,855	7,117,594
Accumulated depreciation:				
Buildings and improvements	362,356	73,821	-	436,177
Library collections	448,406	37,240	21,855	463,791
Equipment and vehicles	115,116	4,631	-	119,747
Total accumulated depreciation	925,878	115,692	21,855	1,019,715
Component unit capital assets, net	$ 5,352,516	$ 745,363	$ -	$ 6,097,879

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Inter-fund Balances and Transfers

Inter-fund transfers for the year ended June 30, 2011, consisted of the following:

	Transfers From:			
Transfer to:	General Fund	Non-Major Governmental Fund	Solid Waste Fund	Total
General Fund	$ -	$ 43,930	$ 20,100	$ 64,030
Non-Major Governmental Fund	111,756	-	-	111,756
	$ 111,756	$ 43,930	$ 20,100	$ 175,786

The transfer from the general fund to 911 fund (non-major governmental fund) is necessary because the costs associated with the fund are more than the operating revenues of the fund. Transfer from jail improvement fund to the general fund is to help offset costs associated with jail operations. Transfer from solid waste fund to general fund was a onetime event associated with disposition of capital assets.

3-F. Compensated Absences

The following is a breakdown of compensated absences by department for the year ended June 30, 2011:

General administration	$ 12,884
Court system	3,298
Public safety	36,738
Public works	21,274
Health and welfare	5,069
Culture and recreation	832
TOTAL	$ 80,095

3-G. Landfill Closure and Post-closure Care Costs

The County operates a landfill, which opened in January 2000. State and federal laws and regulations require the County to place a final cover on its County Road 138 landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on capacity used as of each balance sheet date. The $ 523,529 reported as landfill closure and post-closure care liability at June 30, 2011, represents the cumulative amount reported to date based on the percentage used (21.02%) of the estimated total capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of approximately $ 2 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2011. The landfill's remaining estimated useful life is 20 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post-closure care. The County is in compliance with these requirements, and at June 30, 2011, investments of $ 261,611 ($ 261,611 market value) are held for these purposes. These are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations), these costs may need to be covered by charges to future landfill users or from tax revenue.

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-term Debt

Governmental Activities Capital Leases - The County has entered into multiple capital leases for various pieces of equipment and vehicles. 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 outstanding at year end is included in governmental activities general capital assets in the amount of $ 90,268 (cost of $ 113,955 less accumulated depreciation of $ 23,687). The outstanding balance of the corresponding liabilities is included in governmental activities general long-term debt. Future minimum lease payments are as follows:

Fiscal Year	Capital Leases		
	Principal	Interest	Total
2012	$ 44,277	$ 2,739	$ 47,016
2013	6,181	523	6,704
2014	6,482	222	6,704
2015	1,111	7	1,118
Total	$ 58,051	$ 3,491	$ 61,542

Landfill Closure and Post-closure Care Costs – Also included in general long-term debt are the estimated costs of post-closure care of the County's Avera Road landfill, as required by the Governmental Accounting Standards Board's Statement # 18, "Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs." State and federal laws and regulations require the County to place a final cover on the landfill when they stop accepting waste, and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Recognition of a liability for landfill closure and post-closure care costs is based upon the capacity used to date of the County's landfill.

During the fiscal year ended June 30, 2000, the County ceased accepting trash at the Avera Road landfill. After delays in the closure process, the County's Avera Road landfill was officially closed in December 2004. The County has recognized 100% of the estimated closure and post-closure care costs. The estimated liability recognized in the financial statements for landfill closure and post-closure care costs ($ 1,751,650) is 100% of the expected costs. The estimates of post-closure care activities will be revised on an annual basis, with the total estimated liability reduced as these costs are incurred. The estimated costs are the engineers' best estimate of future costs and could increase or decrease due to changes in inflation or deflation, technology or applicable laws and regulations.

Business-type Activities Revenue Bonds – In 1983, the County issued $ 359,000 of water and sewerage revenue bonds, Series 1983-A at an interest rate of 5% with annual principal and interest maturity installments due June 30. Proceeds from this issuance were utilized in the extension of the water/sewer system. Annual debt service requirements to amortize the revenue bonds outstanding, as of June 30, 2011, follow:

Fiscal Year	Principal	Interest	Total
2012	$ 12,000	$ 8,800	$ 20,800
2013	13,000	8,200	21,200
2014	14,000	7,550	21,550
2015	15,000	6,850	21,850
2016	15,000	6,100	21,100
2017-2021	87,000	18,400	105,400
2022	20,000	1,000	21,000
Total	$ 176,000	$ 56,900	$ 232,900

Note 3 - Detailed Notes on All Funds (Continued)

Development Authority – Notes Payable - At June 30, 2011, the Development Authority's long-term debt consisted of a note payable as follows:

Note payable to First State Bank, Wrens, Georgia, having a principal balance of $ 121,673. The note has a variable interest rate tied to the prime rate. The note is a single maturity due February 2012. The debt is secured by real estate.

Annual debt service requirements to amortize the notes payable outstanding, as of June 30, 2011, follow:

Fiscal Year	Principal	Interest	Total
2012	$ 121,673	$ 5,517	$ 127,190
Total	$ 121,673	$ 5,517	$ 127,190

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

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
Capital Leases	$ 517,254	$ -	$ 459,203	$ 58,051	$ 44,277
Landfill postclosure care costs	1,259,566	567,130	75,046	1,751,650	76,159
Compensated absences	70,530	106,075	96,510	80,095	80,095
Total Governmental Activities	$ 1,847,350	$ 673,205	$ 630,759	$ 1,889,796	$ 200,531
Business-Type Activities					
Water revenue bonds	$ 188,000	$ -	$ 12,000	$ 176,000	$ 12,000
Capital leases	91,968	-	91,968	-	-
Landfill postclosure care costs	508,001	15,528	-	523,529	-
Total Business-Type Activities	$ 787,969	$ 15,528	$ 103,968	$ 699,529	$ 12,000
Component Units:					
Notes payable	$ 121,673	$ -	$ -	$ 121,673	$ 121,673
Compensated absences	65,577	38,187	44,601	59,163	19,158
Total Component Units	$ 187,250	$ 38,187	$ 44,601	$ 180,836	$ 140,831

All long-term obligations of the County's governmental funds will be financed through future general fund expendable available financial sources as they become due. Principal and interest payments related to the County's water enterprise fund are financed from income derived from the operation of the water system.

Note 3 - Detailed Notes on All Funds (Continued)

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The employees' salaries are paid through the general fund except the enterprise funds. The governmental activities capital lease obligations will be paid from the general fund and the business-type activities capital lease will be paid from the solid waste fund. The landfill post closure care costs will be paid from the general fund.

3-I. Pension

The County has a defined contribution retirement plan whereby all full-time county employees meeting eligibility requirements are eligible to participate in the plan. The plan, administered by the GEB Corp., is open to all full-time employees with more than six months of service, exclusive of elected officials who are eligible for state provided retirement benefits. The county contributes 3.0% of their salary to a 401A plan annually. Employees are 100% vested in the county contribution after three years of service. Employees do not contribute to the 401A Plan. In conjunction with resolution establishing the 401A plan, the County adopted a 457 Deferred Compensation Plan. Under this plan, employees are eligible to receive up to an additional 2% contribution to the 401A if they participate in the 457 Deferred Compensation Plan. The current year covered payroll was approximately $ 3,564,223 and the total current payroll is $ 4,464,596. The County's required and actual contribution for fiscal year ended June 30, 2011, for 401A was $ 150,351 which was 4.2% of covered payroll.

3-J. Net Assets

Net assets on the government-wide statement of net assets as of June 30, 2011, are as follows:

Investments in capital assets, net of related debt:	Governmental Activities	Business Type Activities	Component Units
Cost of capital assets	18,418,468	7,666,949	7,117,594
Less accumulated depreciation	5,541,864	4,417,427	1,019,715
Book value	12,876,604	3,249,522	6,097,879
Less capital related debt	58,051	176,000	121,673
Investments in capital assets, net of related debt	$ 12,818,553	$ 3,073,522	$ 5,976,206

Note 4 - Other Notes

4-A. Risk Management

The County is exposed to potential risk of loss in the areas of: theft, damage or destruction of County assets; errors and omission; natural disasters; and injuries to employees. Significant losses in these areas are covered by commercial insurance with the exception of workers' compensation. There have been no significant reductions in the amount of insurance coverage in the past year in any major category of risk. There have been no insurance settlements that exceeded coverage during the past three years.

Insurance Risk - The County has its property and liability insurance with the ACCG-Inter-local Risk Management Agency, a self-insurance pool and a risk financing mechanism, whereby the members join together to provide a source of coverage for their property, automobiles, general liability, law enforcement liability, public officials liability, crime, and boiler and machinery exposures. The Fund is owned by its members and is managed by a seven-member board of trustees who are representatives from participating counties. The Fund is operated under the authority of OCGA 36-85-20 et seq. The ACCG-IRMA estimates the anticipated losses for its members and self-funds a portion of that exposure. The funds which are allocated for the anticipated losses are deposited and invested until such time that they are needed to pay claims. The ACCG-IRMA purchases appropriate reinsurance coverage to provide for catastrophic losses or for an unanticipated increase in frequency of smaller claims.

Note 4 - Other Notes (Continued)

The County is a member of the Association County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a risk sharing public entity risk pool currently operating as a common risk management and insurance program for member local governments. This fund was created to provide its members with an alternative method in which to finance their workers' compensation coverage. The County pays an annual premium to the fund for its workers' compensation coverage. The fund purchases excess insurance to protect the fund from catastrophic losses and for any unexpected increase in frequency of smaller claims.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's 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 pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

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 June 30, 2011. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

The County and the City of Wrens, Georgia, jointly purchased land for the purpose of opening and operating a public landfill. The City of Wrens was in charge of operating the landfill and the County had use of the facility for disposing waste. This landfill was closed in 1997. The City of Wrens has agreed to be responsible for all post-closure care costs. Because of its past association with this facility, there is potential for the County to have some liability for these post-closure costs.

4-C. Commitments

The County has an agreement with the Hospital Authority of Jefferson County and the City of Louisville to supplement the Hospital Authority's revenues, if necessary, for the redemption of debt associated with the purchase of Jefferson Hospital. Payments made to the Hospital Authority totaled $150,000 for the year ended June 30, 2011. This payment is made to the Hospital Authority in lieu of payments to the Hospital Authority for medical care of the County's indigent residents.

4-D. 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 Central Savannah River Area 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 Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements of the CSRA RC may be obtained from:

Central Savannah River Area Regional Commission
3023 Riverwatch Parkway, Suite A
Augusta, Georgia 30907

Jefferson County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes	$ 6,886,000	$ 6,886,000	$ 6,936,234	$ 50,234
Intergovernmental	2,399,590	2,472,206	2,225,256	(246,950)
Fines, forfeitures and fees	541,510	541,510	472,811	(68,699)
Investment earnings	61,500	61,500	7,751	(53,749)
Licenses and permits	26,900	26,900	35,392	8,492
Miscellaneous	602,805	602,805	524,084	(78,721)
Total Revenues	10,518,305	10,590,921	10,201,528	(389,393)
Expenditures				
Current:				
General government	1,707,262	1,461,983	1,461,981	2
Judicial	961,028	969,128	947,259	21,869
Public safety	3,298,683	3,398,976	3,391,740	7,236
Public works	3,114,186	3,305,346	3,350,086	(44,740)
Health and welfare	756,293	757,818	735,790	22,028
Culture and recreation	407,599	388,916	385,567	3,349
Conservation of natural resources	78,548	82,048	81,532	516
Debt Service:				
Principal retirement	62,626	62,626	68,244	(5,618)
Interest and fiscal charges	5,872	5,872	6,961	(1,089)
Landfill closure/monitoring	50,491	82,491	75,046	7,445
Total Expenditures	10,442,588	10,515,204	10,504,206	10,998
Excess (Deficiency) of Revenues Over (Under) Expenditures	75,717	75,717	(302,678)	(378,395)
Other Financing Sources (Uses)				
Transfers in	-	-	64,030	64,030
Transfers out	(200,000)	(200,000)	(111,756)	88,244
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(47,726)	152,274
Net Change in Fund Balances	$ (124,283)	$ (124,283)	(350,404)	$ (226,121)
Fund Balances Beginning of Year			2,030,940	
Fund Balances End of Year			$ 1,680,536	

Note 1 - Budgetary Information

The budget for the general fund is adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments.

The following functions overspent the final 2011 annual budget:

General Fund:	
Public works	$ 44,740
Debt service - principal	$ 5,618
Debt service - interest	$ 1,089

Jefferson County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 1,498,564	$ 1,553,118
	58,427	258,583
Receivables:		
Property taxes	341,936	369,547
Sales taxes	96,949	97,258
Intergovernmental	220,454	189,436
Interfund	-	77,166
Inventory	26,456	26,456
Total Assets	$ 2,242,786	$ 2,571,564
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 225,082	$ 198,846
Accrued expenditures	44,331	32,380
Deferred revenue	292,837	309,398
Total Liabilities	562,250	540,624
Fund Balances		
Nonspendable		
Inventory	26,456	26,456
Prepaid items	58,427	258,583
Unassigned	1,595,653	1,745,901
Total Fund Balances	1,680,536	2,030,940
Total Liabilities and Fund Balances	$ 2,242,786	$ 2,571,564

Jefferson County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2010 Actual
REVENUES					
Taxes					
General property tax	$ 4,569,500	$ 4,569,500	$ 4,640,471	$ 70,971	$ 4,565,313
Vehicle property tax	450,000	450,000	437,461	(12,539)	432,513
Mobile home property tax	98,000	98,000	76,072	(21,928)	119,688
Railroad equipment tax	24,000	24,000	23,763	(237)	23,814
Timber tax	50,000	50,000	54,257	4,257	55,058
Transfer & recording intangible taxes	37,000	37,000	27,027	(9,973)	30,693
Insurance premium tax	469,000	469,000	443,429	(25,571)	455,934
Local option sales tax	1,095,000	1,095,000	1,137,362	42,362	1,062,687
Bank licenses and taxes	41,500	41,500	52,361	10,861	40,803
Franchise taxes	16,500	16,500	13,355	(3,145)	14,116
Alcoholic beverage licenses/taxes	35,500	35,500	30,676	(4,824)	35,626
Total Taxes	6,886,000	6,886,000	6,936,234	50,234	6,836,245
Intergovernmental					
Inmate costs reimbursements/rebates	1,340,325	1,411,325	1,398,220	(13,105)	1,342,456
Jail subsidies	599,665	599,665	490,391	(109,274)	502,125
Department of Corrections:					
Correctional officer contract	70,000	70,000	55,752	(14,248)	64,218
Road paving contracts	90,000	90,000	-	(90,000)	18,160
CYCC grant funds	-	-	-	-	8,509
Rec. department supplement - Louisville	6,100	6,100	4,575	(1,525)	9,150
Federal grant funds	-	1,616	1,612	(4)	23,149
Nutrition Program	31,000	31,000	34,610	3,610	31,522
DOT transit program revenues/reciepts	250,000	250,000	226,462	(23,538)	241,538
State grant funds	7,500	7,500	8,429	929	8,429
Juvenile Offenders Program	5,000	5,000	5,205	205	5,917
Total Intergovernmental	2,399,590	2,472,206	2,225,256	(246,950)	2,255,173
Fines, Forfeitures and Fees					
State and superior courts	243,050	243,050	218,542	(24,508)	291,915
Sheriff's fees	194,200	194,200	129,832	(64,368)	181,499
Magistrate court	81,700	81,700	98,349	16,649	77,243
Probate court	22,560	22,560	26,088	3,528	24,877
Total Fines, Forfeitures and Fees	541,510	541,510	472,811	(68,699)	575,534

Continued

Jefferson County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

Continued

	2011				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2010 Actual
REVENUES					
Investment Earnings	$ 61,500	$ 61,500	$ 7,751	$ (53,749)	$ 63,303
Licenses and Permits	26,900	26,900	35,392	8,492	27,491
Miscellaneous					
Tax commissioner -					
Commissions	165,000	165,000	165,801	801	163,106
Penalties & interest/costs	135,500	135,500	130,669	(4,831)	134,573
Nutrition program revenues	5,455	5,455	3,893	(1,562)	4,559
Shop revenue	24,000	24,000	24,990	990	24,294
Recreation fees and sponsorships	30,100	30,100	32,788	2,688	29,194
Sale of surplus property	110,000	110,000	55,707	(54,293)	19,527
Other	132,750	132,750	110,236	(22,514)	92,009
Total Miscellaneous	602,805	602,805	524,084	(78,721)	467,262
TOTAL REVENUES	$ 10,518,305	$ 10,590,921	$ 10,201,528	$ (389,393)	$ 10,225,008

Jefferson County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2010 Actual
EXPENDITURES					
General Government					
Board of commissioners	$ 110,487	$ 110,487	$ 103,914	$ 6,573	$ 123,586
Administration and accounting	696,500	480,296	501,617	(21,321)	474,302
Tax commissioner	250,547	245,247	238,617	6,630	267,242
Tax assessor	428,083	341,083	342,954	(1,871)	365,107
County buildings	133,183	146,433	149,204	(2,771)	186,255
CDBG project	15,000	15,000	14,921	79	26,862
Registrar	57,288	107,263	97,177	10,086	59,141
Community service	16,174	16,174	13,577	2,597	14,961
Total General Government	1,707,262	1,461,983	1,461,981	2	1,517,456
Judicial					
State and superior courts	656,270	660,770	636,116	24,654	685,321
Magistrate court	203,234	203,234	205,660	(2,426)	210,051
Probate court	101,524	105,124	105,483	(359)	123,024
Total Judicial	961,028	969,128	947,259	21,869	1,018,396
Public Safety					
Sheriff	1,209,198	1,228,091	1,172,479	55,612	1,197,882
County jail	1,329,549	1,360,549	1,387,212	(26,663)	1,402,574
Civil division	134,364	135,964	151,920	(15,956)	136,274
Ambulance services	436,164	462,164	464,239	(2,075)	398,245
County fire departments	33,413	48,413	50,266	(1,853)	42,507
Fire - intergovernmental	70,500	70,500	70,500	-	70,500
Emergency management	17,518	21,718	21,907	(189)	37,799
Code enforcement	33,602	37,002	37,565	(563)	33,836
Animal control	250	450	403	47	237
Coroner	34,125	34,125	35,249	(1,124)	38,139
Total Public Safety	3,298,683	3,398,976	3,391,740	7,236	3,357,993
Public Works					
Correction institute	1,844,852	1,991,422	2,029,085	(37,663)	1,941,971
Roads department	983,134	1,013,134	1,014,643	(1,509)	1,229,567
Shop	221,707	236,297	237,271	(974)	240,590
Building inspection	64,493	64,493	69,087	(4,594)	72,039
Total Public Works	3,114,186	3,305,346	3,350,086	(44,740)	3,484,167

Continued

Jefferson County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

Continued

	2011				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2010 Actual
EXPENDITURES					
Health and Welfare					
Hospital authority	$ 150,000	$ 150,000	$ 150,000	$ -	$ 150,000
Health department	163,000	163,000	163,006	(6)	176,489
Transportation program	311,618	311,618	307,559	4,059	311,487
Nutrition program	124,175	124,175	107,297	16,878	117,202
Family connection	4,500	5,800	5,929	(129)	4,325
Other programs	3,000	3,225	1,999	1,226	3,012
Total Health and Welfare	756,293	757,818	735,790	22,028	762,515
Culture and Recreation					
Recreation department	221,046	202,363	199,014	3,349	170,126
Recreation - intergovernmental	25,000	25,000	25,000	-	25,000
Library	161,553	161,553	161,553	-	173,661
Total Culture and Recreation	407,599	388,916	385,567	3,349	368,787
Conservation of Natural Resources					
Agriculture resources	54,672	57,672	57,656	16	52,613
Forestry resources	23,876	24,376	23,876	500	9,550
Total Conservation of Natural Resources	78,548	82,048	81,532	516	62,163
Debt Service					
Principal	62,626	62,626	68,244	(5,618)	88,202
Interest	5,872	5,872	6,961	(1,089)	6,513
Landfill post closure/monitoring	50,491	82,491	75,046	7,445	54,680
Total Debt Service	118,989	150,989	150,251	738	149,395
TOTAL EXPENDITURES	$ 10,442,588	$ 10,515,204	$ 10,504,206	$ 10,998	$ 10,720,872

Jefferson County, Georgia
SPLOST #2 Capital Projects Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 201,308	$ 977,727
Intergovernmental receivable	-	180,440
Total Assets	$ 201,308	$ 1,158,167
Liabilities and Fund Balances		
Liabilities		
Other liabilities	$ -	$ 465,744
Total Liabilities	-	465,744
Fund Balances		
Restricted for capital projects	201,308	692,423
Total Fund Balances	201,308	692,423
Total Liabilities and Fund Balances	$ 201,308	$ 1,158,167

Jefferson County, Georgia
SPLOST #2 Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Sales taxes	$ 1,095,552	$ 1,968,550
Grant - Georgia Department of Natural Resources	-	36,906
Investment earnings	6,570	21,729
Total Revenues	1,102,122	2,027,185
Expenditures		
Current:		
General government	-	-
Intergovernmental	643,122	1,197,345
Capital outlay	553,275	335,083
Debt service:		
Principal	390,959	567,120
Interest	5,881	28,138
Total Expenditures	1,593,237	2,127,686
(Deficiency) of Revenues (Under) Expenditures	(491,115)	(100,501)
Other Financing Sources		
Capital lease incurred	-	-
Net Change in Fund Balances	(491,115)	(100,501)
Fund Balances, Beginning of Year	692,423	792,924
Fund Balances, End of Year	$ 201,308	$ 692,423

Jefferson County, Georgia
SPLOST #3 Capital Projects Fund
Balance Sheet
June 30, 2011

	2011
Assets	
Cash and cash equivalents	$ 198,731
Intergovernmental receivable	179,958
Total Assets	$ 378,689
Liabilities and Fund Balances	
Liabilities	
Other liabilities	$ 107,435
Total Liabilities	107,435
Fund Balances	
Restricted for capital projects	271,254
Total Fund Balances	271,254
Total Liabilities and Fund Balances	$ 378,689

Jefferson County, Georgia
SPLOST#3 Capital Projects Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2011

	2011
Revenues	
Sales taxes	$ 1,011,001
Grant - Georgia Department of Natural Resources	-
Investment earnings	-
Total Revenues	1,011,001
Expenditures	
Current:	
General government	-
Intergovernmental	601,855
Capital outlay	137,892
Debt service:	
Principal	-
Interest	-
Total Expenditures	739,747
(Deficiency) of Revenues (Under) Expenditures	271,254
Other Financing Sources	
Capital lease incurred	-
Net Change in Fund Balances	271,254
Fund Balances, Beginning of Year	-
Fund Balances, End of Year	$ 271,254

Jefferson County, Georgia
Combining Balance Sheet
Non-major Special Revenue Funds
June 30, 2011

	Federal Sharing	E -911	Jail Improvement	Condemned Funds	Drug Abuse T & E	Law Library	CDBG 08 Capital Projects	Total Non-major Special Revenue Funds
Assets								
Cash and cash equivalents	$ 19,017	$ 5,003	$ 28,863	$ 17,310	$ 98,605	$ 52,547	$ -	$ 221,345
Accounts receivable	-	42,680	-	-	-	-	-	42,680
Total Assets	$ 19,017	$ 47,683	$ 28,863	$ 17,310	$ 98,605	$ 52,547	$ -	$ 264,025
Liabilities								
Accounts payable	$ -	$ 16,608	$ -	$ -	$ -	$ -	$ -	$ 16,608
Accrued expenses	-	3,168	-	-	-	-	-	3,168
Total Liabilities	-	19,776	-	-	-	-	-	19,776
Fund Balances								
Restricted for program purposes	19,017	27,907	28,863	17,310	98,605	52,547	-	244,249
Total Liabilities and Fund Balances	$ 19,017	$ 47,683	$ 28,863	$ 17,310	$ 98,605	$ 52,547	$ -	$ 264,025

Jefferson County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Special Revenue Funds

For the Year Ended June 30, 2011

	Federal Sharing	E -911	Jail Improvement	Condemned Funds	Drug Abuse T & E	Law Library	CDBG 08 Capital Projects	Total Non-major Special Revenue Funds
Revenues								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ 89,876	$ 89,876
Charges for services	-	252,089	-	-	-	-	-	252,089
Fines and forfeitures	-	-	53,950	7,251	2,885	24,369	-	88,455
Investment earnings	4	1,027	2	3	644	-	-	1,680
Total Revenues	4	253,116	53,952	7,254	3,529	24,369	89,876	432,100
Expenditures								
Current:								
Judicial	-	-	-	-	-	19,438	-	19,438
Public safety	25,091	579,812	-	10,895	143	-	-	615,941
Capital Outlay	-	-	-	-	-	-	89,876	89,876
Total Expenditures	25,091	579,812	-	10,895	143	19,438	89,876	725,255
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,087)	(326,696)	53,952	(3,641)	3,386	4,931	-	(293,155)
Other Financing (Uses)								
Transfers in (out), net	-	111,756	(43,930)	-	-	-	-	67,826
Net Change in Fund Balances	(25,087)	(214,940)	10,022	(3,641)	3,386	4,931	-	(225,329)
Fund Balances, Beginning of Year	44,104	242,847	18,841	20,951	95,219	47,616	-	469,578
Fund Balances, End of Year	$ 19,017	$ 27,907	$ 28,863	$ 17,310	$ 98,605	$ 52,547	$ -	$ 244,249

Jefferson County, Georgia
Federal Sharing Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 19,017	$ 44,104
Fund Balances		
Restricted for program purposes	$ 19,017	$ 44,104

Jefferson County, Georgia
Federal Sharing Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines and forfeitures	$ 25,700	$ -	$ -	$ -	$ -
Investment earnings	22	4	4	-	4
Total Revenues	25,722	4	4	-	4
Expenditures					
Current:					
Public safety	18,524	25,091	25,091	-	11,792
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 7,198	$ (25,087)	(25,087)	$ -	(11,788)
Fund Balances, Beginning of Year			44,104		55,892
Fund Balances, End of Year			$ 19,017		$ 44,104

Jefferson County, Georgia
E-911 Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 5,003	$ 212,245
Accounts receivable	42,680	42,937
Total Assets	$ 47,683	$ 255,182
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 16,608	$ 10,220
Accrued expenses	3,168	2,115
Total Liabilities	19,776	12,335
Fund Balances		
Restricted for program purposes	27,907	242,847
Total Liabilities and Fund Balances	$ 47,683	$ 255,182

Jefferson County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Charges for services	$ 273,000	$ 252,089	$ 252,089	$ -	$ 259,733
Investment earnings	1,321	1,027	1,027	-	2,401
Total Revenues	274,321	253,116	253,116	-	262,134
Expenditures					
Current:					
Public safety	580,000	579,812	579,812	-	548,480
Excess (Deficiency) of Revenues Over (Under) Expenditures	(305,679)	(326,696)	(326,696)	-	(286,346)
Other Financing (Uses)					
Transfers in	200,000	200,000	111,756	(88,244)	376,495
Net Change in Fund Balances	$ (105,679)	$ (126,696)	(214,940)	$ (88,244)	90,149
Fund Balances, Beginning of Year			242,847		152,698
Fund Balances, End of Year			$ 27,907		$ 242,847

Jefferson County, Georgia
Jail Improvement Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 28,863	$ 18,841
Fund Balances		
Restricted for program purposes	$ 28,863	$ 18,841

Jefferson County, Georgia
Jail Improvement Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines and forfeitures	$ 49,873	$ 53,950	$ 53,950	$ -	$ 17,482
Investment earnings	-	2	2	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	49,873	53,952	53,952	-	17,482
Expenditures					
Current:					
Public safety	-	-	-	-	-
Excess of Revenues Over Expenditures	49,873	53,952	53,952	-	17,482
Other Financing (Uses)					
Transfers out	-	-	(43,930)	(43,930)	-
Net Change in Fund Balances	$ 49,873	$ 53,952	10,022	$ (43,930)	17,482
Fund Balances, Beginning of Year			18,841		1,359
Fund Balances, End of Year			$ 28,863		$ 18,841

Jefferson County, Georgia
Condemned Funds Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 17,310	$ 20,951
Fund Balances		
Restricted for program purposes	$ 17,310	$ 20,951

Jefferson County, Georgia
Condemned Funds Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines and forfeitures	$ 2,589	$ 7,251	$ 7,251	$ -	$ 11,098
Investment earnings	-	3	3	-	1
Total Revenues	2,589	7,254	7,254	-	11,099
Expenditures					
Current:					
Public safety	1,147	10,895	10,895	-	1,709
Excess of Revenues Over Expenditures	$ 1,442	$ (3,641)	(3,641)	$ -	9,390
Fund Balances, Beginning of Year			20,951		11,561
Fund Balances, End of Year			$ 17,310		$ 20,951

Jefferson County, Georgia
Drug Abuse T&E Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 98,605	$ 65,219
Accounts receivable	-	30,000
Total Assets	$ 98,605	$ 95,219
Fund Balances		
Restricted for program purposes	$ 98,605	$ 95,219

Jefferson County, Georgia
Drug Abuse T&E Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines and forfeitures	$ 3,000	$ 2,885	$ 2,885	$ -	$ 1,514
Investment earnings	-	644	644	-	1,241
Total Revenues	3,000	3,529	3,529	-	2,755
Expenditures					
Current:					
Public safety	8,000	143	143	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (5,000)	$ 3,386	3,386	$ -	2,755
Fund Balances, Beginning of Year			95,219		92,464
Fund Balances, End of Year			$ 98,605		$ 95,219

Jefferson County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 52,547	$ 47,616
Fund Balances		
Restricted for program purposes	$ 52,547	$ 47,616

Jefferson County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines and forfeitures	$ 58,748	$ 24,369	$ 24,369	$ -	$ 14,813
Expenditures					
Current:					
Judicial	14,331	19,438	19,438	-	17,304
Excess of Revenues Over Expenditures	$ 44,417	$ 4,931	4,931	$ -	(2,491)
Fund Balances, Beginning of Year			47,616		50,107
Fund Balances, End of Year			$ 52,547		$ 47,616

Jefferson County, Georgia
CDBG 2008 Capital Projects Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ -	$ -
Intergovernmental receivables	-	-
Total Assets	$ -	$ -
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	-	-
Total Liabilities	-	-
Fund Balances		
Restricted for program purposes	-	-
Total Fund Balances	-	-
Total Liabilities and Fund Balances	$ -	$ -

Jefferson County, Georgia
CDBG 2008 Capital Projects Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Intergovernmental revenue	$ 89,876	$ 343,091
Expenditures		
Capital Outlay		
Buildings	89,876	343,091
Net Change in Fund Balances	-	-
Fund Balances, Beginning of Year	-	-
Fund Balances, End of Year	$ -	$ -

Jefferson County, Georgia
Water and Sewer Fund
Comparative Statement of Net Assets
June 30, 2011 and 2010

	2011	2010
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 171,205	$ 180,814
Receivables:		
Accounts	28,292	20,774
Total Current Assets	199,497	201,588
Noncurrent Assets:		
Deferred Charges	2,947	3,242
Capital Assets:		
Depreciable, net	943,805	977,964
Total Noncurrent Assets	946,752	981,206
TOTAL ASSETS	1,146,249	1,182,794
LIABILITIES		
Current Liabilities:		
Accounts payable	13,717	11,097
Other liabilities	79	241
Compensated absences	2,605	2,672
Customer deposits	20,911	20,116
Revenue bonds payable	12,000	12,000
Total Current Liabilities	49,312	46,126
Long-Term Liabilities:		
Revenue bonds payable (net of current portion)	164,000	176,000
TOTAL LIBILITIES	213,312	222,126
Net Assets		
Invested in capital assets, net of related debt	767,805	789,964
Unrestricted	165,132	170,704
TOTAL NET ASSETS	$ 932,937	$ 960,668

Jefferson County, Georgia
Water and Sewer Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Charges for services	$ 262,259	$ 231,541
Miscellaneous	12,071	11,707
Total Operating Revenues	274,330	243,248
Operating Expenses		
Cost of water	104,383	80,752
Salaries	67,192	67,750
Employee benefits	28,873	26,754
Repairs	9,904	17,571
Insurance	-	-
Utilities	6,067	5,587
Other	30,805	30,808
Depreciation	46,265	45,789
Amortization	295	295
Total Operating Expenses	293,784	275,306
Operating Income (Loss)	(19,454)	(32,058)
Non-Operating Revenues (Expenses)		
Interest and fiscal charges	(9,400)	(9,955)
Investment earnings	1,123	4,976
Total Non-Operating Revenues (Expenses)	(8,277)	(4,979)
Change in Net Assets	(27,731)	(37,037)
Net Assets, Beginning of Year	960,668	997,705
Net Assets, End of Year	$ 932,937	$ 960,668

Jefferson County, Georgia
Solid Waste Fund
Comparative Statement of Net Assets
June 30, 2011 and 2010

	2011	2010
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 186,069	$ 202,742
Accounts receivable	58,730	51,276
Total Current Assets	244,799	254,018
Noncurrent Assets:		
Restricted Assets:		
Cash and cash equivalents	261,611	232,732
Capital Assets:		
Depreciable, net	2,305,717	2,306,130
Total Noncurrent Assets	2,567,328	2,538,862
TOTAL ASSETS	2,812,127	2,792,880
LIABILITIES		
Current Liabilities:		
Accounts payable	299,713	13,837
Compensated absences	5,053	3,862
Interfund payable	-	77,166
Capital leases payable	-	91,698
Total Current Liabilities	304,766	186,563
Long-Term Liabilities:		
Capital leases payable (net of current portion)	-	-
Landfill closure/postclosure care costs	523,529	508,001
Total Long-Term Liabilities	523,529	508,001
TOTAL LIABILITIES	828,295	694,564
Net Assets		
Invested in capital assets, net of related debt	2,305,717	2,214,432
Restricted for landfill purposes	261,611	232,732
Unrestricted (deficit)	(583,496)	(348,848)
Total Net Assets	$ 1,983,832	$ 2,098,316

Jefferson County, Georgia
Solid Waste Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Charges for services	$ 245,827	$ 267,569
Solid waste maintenance fees	401,305	445,407
Miscellaneous	26,912	11,897
Total Operating Revenues	674,044	724,873
Operating Expenses		
Salaries	93,862	84,544
Employee benefits	32,596	30,400
Repairs	75,912	71,630
Supplies	51,683	48,029
Utilities	7,685	8,545
Other	213,146	144,026
Depreciation	302,634	280,610
Landfill closure/postclosure care costs	15,528	97,322
Total Operating Expenses	793,046	765,106
Operating Income (Loss)	(119,002)	(40,233)
Non-Operating Revenues (Expenses)		
Interest and fiscal charges	(1,104)	(4,868)
Gain on sale of assets	20,100	-
Investment earnings	5,622	6,287
Total Non-Operating Revenues (Expenses)	24,618	1,419
Income (Loss) Before Transfers	(94,384)	(38,814)
Transfers in (out)	(20,100)	-
Change in Net Assets	(114,484)	(38,814)
Net Assets, Beginning of Year	2,098,316	2,137,130
Net Assets, End of Year	$ 1,983,832	$ 2,098,316

Jefferson County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2011

Clerk of Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 226,638	$ 926,112	$ 867,855	$ -	$ 284,895
Liabilities					
Interfund payable	$ -	$ 338,204	$ 338,204	$ -	$ -
Due to others	226,638	587,908	529,651	-	284,895
Total Liabilities	$ 226,638	$ 926,112	$ 867,855	$ -	$ 284,895

Probate Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 2,735	$ 69,878	$ 67,609	$ 2,002	$ 3,002
Liabilities					
Interfund payable	$ -	$ 25,455	$ 23,453	$ 2,002	$ -
Due to others	2,735	44,423	44,156	-	3,002
Total Liabilities	$ 2,735	$ 69,878	$ 67,609	$ 2,002	$ 3,002

Sheriff	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 324,379	$ 1,103,323	$ 1,142,091	$ 8,915	$ 276,696
Liabilities					
Interfund payable	$ -	$ 539,951	$ 531,036	$ 8,915	$ -
Due to others	324,379	563,372	611,055	-	276,696
Total Liabilities	$ 324,379	$ 1,103,323	$ 1,142,091	$ 8,915	$ 276,696

Continued

Jefferson County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2011

Continued

Tax Commissioner	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 262,426	$ 13,051,748	$ 12,911,477	$ 108,229	$ 294,468
Liabilities					
Interfund payable	$ -	$ 5,938,036	$ 5,829,807	$ 108,229	$ -
Due to others	262,426	7,113,712	7,081,670	-	294,468
Total Liabilities	$ 262,426	$ 13,051,748	$ 12,911,477	$ 108,229	$ 294,468

Magistrate Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 32,040	$ 383,592	$ 378,941	$ 7,506	$ 29,185
Liabilities					
Interfund payable	$ -	$ 98,349	$ 90,843	$ 7,506	$ -
Due to others	32,040	285,243	288,098	-	29,185
Total Liabilities	$ 32,040	$ 383,592	$ 378,941	$ 7,506	$ 29,185

JCCI Accounts	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 131,209	$ 152,744	$ 131,734	$ -	$ 152,219
Liabilities					
Due to others	$ 131,209	$ 152,744	$ 131,734	$ -	$ 152,219

Continued

Jefferson County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2011

Continued

Total	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 979,427	$ 15,687,397	$ 15,499,707	$ 126,652	$ 1,040,465
Liabilities					
Interfund payable	$ -	$ 6,939,995	$ 6,813,343	$ 126,652	$ -
Due to others	979,427	8,747,402	8,686,364	-	1,040,465
Total Liabilities	$ 979,427	$ 15,687,397	$ 15,499,707	$ 126,652	$ 1,040,465

Jefferson County, Georgia
SECTION 5311 TRANSPORTATION PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2011

Contract Number T003508
Grant Number GA-18-4031

REVENUES		
Reimbursements received from GA Department of Transportation	$	74,310
Participant contributions		33,424
Other program income		118,728
TOTAL		226,462
EXPENDITURES		
Salaries and Fringe Benefits		
Administrative		32,492
Operating		186,753
Operating Expenditures		
Fuel and operational supplies		45,793
Vehicle maintenance		6,762
General insurance		9,219
Computer software		1,000
Telephone		7,021
Office supplies		1,459
Audit		1,500
Other operating expenses		15,560
TOTAL		307,559
Revenues in Excess of (less than) Expenditures	$	(81,097)

Jefferson County, Georgia
Community Development Block Grant
CDBG No. 08P-Y-081-1-5053
Statement of Source and Application of Funds
For the Year Ended June 30, 2011

SOURCE OF FUNDS:		
CDBG Funds drawn down by recipient during the fiscal year ended June 30, 2011		$ 89,876
APPLICATION OF FUNDS:		
Construction costs for recreation building	$ 87,591	
Administration costs	2,285	89,876
SOURCE OF FUNDS IN EXCESS OF (LESS THAN) APPLICATION		$ -

Jefferson County, Georgia
Community Development Block Grant
CDBG No. 08P-Y-081-1-5053
Statement of Project Cost - Budget and Actual
For the Year Ended June 30, 2011

	Total Budgeted Costs For CDBG	Cost Prior To FYE 6/30/2011	Actual Costs FYE 6/30/2011	Total Project Costs To Date	(Over) Under Budget
Construction costs for recreation building	$ 430,000	$ 335,110	$ 87,591	$ 422,701	$ 7,299
Contingencies	40,000		-	-	40,000
Administration	30,000	12,126	2,285	14,411	15,589
Total	$ 500,000	$ 347,236	$ 89,876	$ 437,112	$ 62,888

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INDEPENDENT ACCOUNTANTS' REPORT ON THE SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for Jefferson County, Georgia for the year ended June 30, 2011. This schedule is the responsibility of Jefferson County, Georgia's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1-D and is not intended to be a complete presentation of Jefferson County, Georgia's revenues and expenditures.

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

Jones, Jones, Davis & Associates

Louisville, Georgia
November 3, 2011

Jefferson County, Georgia
Schedule of Projects Funded
with Special Sales Tax Proceeds
For the Year Ended June 30, 2011

Special Sales Tax Imposed January 1, 2006	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percent Completed
			Prior Years	Current Year	Total	
Projects:						
FIRE DEPARTMENT						
Debt Service						
Principal	$ 3,009,178	$ 2,728,000	$ 2,480,391	$ 390,959	$ 2,871,350	105.3%
Interest	58,076	137,606	117,855	5,881	123,736	89.9%
Intergovernmental						
City of Wadley	-	31,648	31,648	-	31,648	100.0%
City of Wrens	-	170,000	133,615	36,392	170,007	100.0%
	3,067,254	3,067,254	2,763,509	433,232	3,196,741	
RECREATION						
Capital						
Buildings and improvements **	1,435,000	1,310,000	574,621	553,275	1,127,896	86.1%
Intergovernmental						
City of Louisville	-	125,000	125,000	-	125,000	100.0%
City of Avera	75,000	75,000	67,605	8,440	76,045	101.4%
City of Bartow	183,000	183,000	164,954	19,094	184,048	100.6%
City of Stapleton	207,000	207,000	186,587	21,599	208,186	100.6%
City of Wadley	443,000	443,000	399,316	46,024	445,340	100.5%
City of Wrens	1,690,000	1,690,000	1,523,352	176,336	1,699,688	100.6%
	4,033,000	4,033,000	3,041,435	824,768	3,866,203	
ECONOMIC DEVELOPMENT						
Intergovernmental						
Jefferson County Development Authority	3,399,746	3,399,746	3,064,509	335,237	3,399,746	100.0%
TOTAL	$ 10,500,000	$ 10,500,000	$ 8,869,453	$ 1,593,237	$ 10,462,690	

** - Expenditures for recreation buildings and improvements were netted with grants received and used to offset costs.

Jefferson County, Georgia
Schedule of Projects Funded
with Special Sales Tax Proceeds
For the Year Ended June 30, 2011

Special Sales Tax Imposed January 1, 2011	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percent Completed
Jefferson County						
General Government						
Buildings renovation and rehabilitation	$ 550,000	$ 550,000	$ -	$ -	$ -	0.0%
Vehicles and equipment	132,607	132,607	-	-	-	0.0%
Public Safety						
Vehicles and equipment/facilities	460,143	460,143	-	99,652	99,652	21.7%
Public Works						
Vehicles and equipment/facilities	1,369,013	1,369,013	-	38,240	38,240	2.8%
Road improvements	1,930,565	1,930,565	-	-	-	0.0%
Economic Development						
Jefferson County Development Authority	1,458,000	1,458,000	-	134,323	134,323	9.2%
	5,900,328	5,900,328	-	272,215	272,215	
Intergovernmental						
City of Avera	103,855	103,855	-	12,709	12,709	12.2%
City of Bartow	150,279	150,279	-	18,517	18,517	12.3%
City of Louisville	1,297,952	1,297,952	-	158,827	158,827	12.2%
City of Stapleton	152,193	152,193	-	18,623	18,623	12.2%
City of Wadley	997,872	997,872	-	122,108	122,108	12.2%
City of Wrens	1,117,521	1,117,521	-	136,748	136,748	12.2%
	3,819,672	3,819,672	-	467,532	467,532	
TOTAL	$ 9,720,000	$ 9,720,000	$ -	$ 739,747	$ 739,747	

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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*

Honorable Chairman and Members of the
Board of Commissioners of Jefferson County
Louisville, 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 Jefferson County, Georgia, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 3, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jefferson 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 Jefferson County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County'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 responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. The material weaknesses are described in the accompanying schedule of findings and responses as items 2011-01 thru 2011-02.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2011-03 thru 2011-4 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain additional matters that we reported to the management of Jefferson County, Georgia, in a separate letter dated November 3, 2011.

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

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

Jones, Jones, Davis & Associates

Louisville, Georgia
November 3, 2011

Section 2 - Findings Related to the Audit of the Financial Statements

Finding 2011-01 Lack of Segregation of Duties (Repeat Finding)

Condition: There is not adequate segregation of duties between the recording, processing, distribution and reconciliation of cash accounts and other operational functions in the various funds, departments and offices maintained by the County. This condition exists not only in the funds and accounts maintained by the County's financial office, but also in the other constitutionally elected offices of the County.

Criteria: The internal control environment of an entity will allow proper segregation of duties so that an employee will not have access to overlapping duties in regards to the receipt and/or disbursement of funds, reconciliation of accounts, posting of accounting records, etc.

Effect: An absence of appropriate segregation of duties could increase the risk of misappropriation of assets if other controls are not in place or do not function properly.

Recommendation: The County should continue to monitor this situation and use alternative control measures where available to assist in safeguarding County assets.

Management's Response: We are aware of this situation and will continue to evaluate the costs and related benefits of adding additional personnel in certain departments to alleviate this problem We will continue to use alternative measures where available to assist in safeguarding assets.

Finding 2011-02 Accounting Expertise - Preparation of Financial Statements (Repeat Finding)

Criteria: Statement on Auditing Standards No. 112 describes examples of circumstances that are to be considered to be a significant deficiency and a strong indicator of a material weakness in internal control. Deficiencies in the design of controls exist when employees or management lack the qualifications and training to prepare year-end financial statements in accordance with generally accepted accounting principles.

Condition: The County did not have an employee with adequate time, qualifications, and training to prepare year-end financial statements.

Effect: The independent auditor has prepared financial statements from the records of the County. The County's management and staff are unable to evaluate the adequacy and completeness of the information presented.

Cause: The material weakness is the result of the County not having employees with adequate time, training, and expertise in generally accepted accounting principles and governmental accounting standards to prepare or adequately review and evaluate the financial statements which were prepared by the independent auditor.

Recommendation: The County should evaluate the cost/benefit implications of improving internal control with the preparation of year-end financial statements.

Management's Response: Management concurs with the finding, and has discussed this situation with our auditors. The County is aware of this situation and will continue to evaluate the costs and related benefits of internally preparing the financial statements and/or explore contracting this service to an outside party.

Section 2 -Findings Related to the Audit of the Financial Statements (Continued)

Finding 2011-03 Frequency of Deposits (Repeat Finding)

Condition: Funds collected by all offices of the County should be deposited in a timely manner. This condition is especially noticeable in the offices of the Clerk of Court.

Criteria: In order to properly account for and safeguard County assets, funds collected by all offices of the County should be deposited preferably on a daily basis, or at any time at which funds on hand exceed $1,000.00.

Effect: Failure to deposit funds collected in a timely manner could result in loss or theft, and makes the process of reconciliation of funds collected to funds deposited to the bank more difficult.

Recommendation: A County-wide policy requiring the deposit of funds collected by all offices on not more than a daily basis, or at any time in which funds collected exceeds $ 1,000.00.

Management's Response: A policy will be developed and relayed to all county offices and departments regarding the prompt deposit of funds collected.

Finding 2011-04 Timeliness of Deposits - Clerk of Court (Repeat Finding)

Condition: During our audit of the office of Clerk of Courts, we noted that there are often delays of several days between the cutoff established (per office records) for deposit of funds collected with the actual date of deposit to the bank (per bank statement).

Criteria: Funds collected should be deposited immediately upon establishment of a cutoff for deposit in the office's records.

Effect: Failure to deposit funds collected in a timely manner could result in loss or theft, and does not properly safeguard County assets.

Recommendation: Deposits of funds collected should be made immediately upon establishment of a cutoff for deposit in the office's books.

Management's Response: We concur with this finding, and will encourage compliance by the Clerk of Court's office.