Johnson County, Georgia

Annual Financial Report

With Independent Auditors' Report

For the Fiscal Year Ended December 31, 2010

Johnson County, Georgia
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INDEPENDENT AUDITORS' REPORT

Honorable Board of Commissioners
Johnson County
Georgia

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Georgia (the Government) as of and for the year ended December 31, 2010, which collectively comprise the Government's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Government's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Johnson County Public Health Center, which represents 43% and 91%, respectively, of the assets and revenue of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us. And our opinion, insofar as it relates to the amounts included for the Johnson County Public Health Center, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Georgia, as of December 31, 2010, and the respective budgetary comparison for the General Fund, SPLOST – Roads, Streets and Bridges, SPLOST – Jail construction and the Local Resources Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2011, on our consideration of the Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The County has not presented the management discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Government's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Christian, Kelly, Thigpen & Co., L L C

June 1, 2011

Johnson County, Georgia
Statement of Net Assets
December 31, 2010

	Primary Government	
	Governmental Activities	Total
Assets		
Cash and cash equivalents	$ 1,999,058	$ 1,999,058
Cash - restricted	408,363	408,363
Certificates of deposit - unrestricted	300,000	300,000
Certificates of deposit - restricted	300,000	300,000
Accounts receivable (net of $113,577 allowance)	133,577	133,577
Sales tax receivable	156,983	156,983
Intergovernmental receivable	73,275	73,275
Prepaid items	67,385	67,385
Land and other nondepreciable assets	591,309	591,309
Capital assets, net of depreciation	6,834,940	6,834,940
Total assets	10,864,890	10,864,890
Liabilities		
Accounts payable	105,587	105,587
Compensated absences payable	56,513	56,513
Notes payable	390,419	390,419
Noncurrent liabilities:		
Compensated absences payable	-	-
Notes payable	988,108	988,108
Total liabilities	1,540,627	1,540,627
Net Assets		
Invested in capital assets, net of related debt	6,047,722	6,047,722
Restricted for:	-	
Roads and road machinery	387,844	387,844
Jail construction debt	306,571	306,571
Local resources	6,155	6,155
Capital projects	378	378
Drug education	2,649	2,649
Rural fire department and emergency management	54,864	54,864
Jail expenditures	13,690	13,690
Law library	33,740	33,740
Unrestricted	2,470,650	2,470,650
Total net assets	$ 9,324,263	$ 9,324,263

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

Component Units		
Recreation Department	Development Authority	Public Health Center
$ 9,812	$ 11,127	$ 110,423
-	-	-
-	-	237,557
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
58,000	310,179	-
56,317	15,566	490
124,129	336,872	348,470
-	-	-
-	-	954
-	-	-
-	-	3,816
-	-	-
-	-	4,770
114,317	325,745	490
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
9,812	11,127	343,210
$ 124,129	$ 336,872	$ 343,700

Johnson County, Georgia
Statement of Activities
For the Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 1,380,677	$ 70,031	$ -	$ -
Transportation	677,860	-	8,851	-
Public safety	1,133,544	119,948	279,708	-
Sanitation and environmental	247,866	5,686	-	-
Health and welfare	547,484	333,606	-	-
Recreation and culture	45,629	-	-	-
Intergovernmental	97,245	-	22,966	123,276
Interest on long-term debt	60,939	-	-	-
Total governmental activities and primary government	$ 4,191,244	$ 529,271	$ 311,525	$ 123,276
Component Units				
Johnson County Recreation Department	45,514	18,609	8,522	-
Johnson County Development Authority	2,970	-	-	-
Johnson County Public Health Center	265,830	92,160	170,979	-
Total component units	$ 314,314	$ 110,769	$ 179,501	$ -

General revenues:
Property taxes
Sales tax
Motor vehicle tax
Insurance premium tax
Other taxes
Interest income
Miscellaneous
Gain on sale of assets
Intergovernmental
Intra-inter agency
Other local funds
Total general revenues

Transfers in
Transfers out
Total transfers in (out)

Change in net assets

Net Assets, beginning of year

Net Assets, end of year

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government		Component Units		
Governmental Activities	Total	Recreation Department	Development Authority	Public Health Center
$ (1,310,646)	$ (1,310,646)	$ -	$ -	$ -
(669,009)	(669,009)	-	-	-
(733,888)	(733,888)	-	-	-
(242,180)	(242,180)	-	-	-
(213,878)	(213,878)	-	-	-
(45,629)	(45,629)	-	-	-
48,997	48,997	-	-	-
(60,939)	(60,939)	-	-	-
(3,227,172)	(3,227,172)	-	-	-
-	-	(18,383)	-	-
-	-	-	(2,970)	-
-	-	-	-	(2,691)
-	-	(18,383)	(2,970)	(2,691)
2,086,114	2,086,114	-	-	-
909,176	909,176	-	-	-
183,288	183,288	-	-	-
275,695	275,695	-	-	-
210,897	210,897	-	-	-
7,538	7,538	34	28	-
21,417	21,417	-	-	-
4,000	4,000	-	-	-
-	-	17,000	10,642	-
-	-	-	-	17,419
-	-	-	-	7,547
3,698,125	3,698,125	17,034	10,670	24,966
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
470,953	470,953	(1,349)	7,700	22,275
8,853,310	8,853,310	125,478	329,172	321,425
$ 9,324,263	$ 9,324,263	$ 124,129	$ 336,872	$ 343,700

Johnson County, Georgia
Balance Sheet
Governmental Funds
December 31, 2010

	General Fund	SPLOST Roads, Streets and Bridges	SPLOST Jail Construction
ASSETS			
Assets:			
Cash and cash equivalents	$ 1,999,058	$ -	$ -
Cash - restricted	-	87,844	210,849
Certificates of deposit - restricted	-	300,000	-
Certificates of deposit - unrestricted	300,000	-	-
Accounts receivable (net of allowance of $113,729)	131,671	-	-
Due from other governments	134,536	-	95,722
Prepaid assets	67,385	-	-
Total assets	$ 2,632,650	$ 387,844	$ 306,571
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 105,490	$ -	$ -
Deferred revenue	421,064	-	-
Total liabilities	526,554	-	-
Fund balances:			
Reserved for roads and road machinery	-	387,844	-
Reserved for jail construction debt	-	-	306,571
Reserved for jail expenditures	-	-	-
Reserved for capital projects	-	-	-
Reserved for drug education	-	-	-
Reserved for multiple grants	-	-	-
Reserved for capital outlay	-	-	-
Reserved for law library	-	-	-
Reserved for rural fire department & emergency management	-	-	-
Unreserved, reported in general fund	2,106,096	-	-
Total fund balances	2,106,096	387,844	306,571
Total liabilities and fund balances	$ 2,632,650	$ 387,844	$ 306,571

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

Johnson County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General Fund	SPLOST Roads, Streets and Bridges	SPLOST Jail Construction
Revenues:			
Property taxes	$ 1,987,601	$ -	$ -
Intangible taxes (recording)	11,412	-	-
Mobile home taxes	37,098	-	-
Motor vehicle	183,288	-	-
Sales tax	354,755	-	554,421
Alcoholic beverage tax	5,984	-	-
Transfer tax	5,430	-	-
Insurance premium tax	275,695	-	-
Timber tax	57,169	-	-
Other taxes	93,804	-	-
Intergovernmental	96,242	-	-
Charges for services	529,271	-	-
Fines and court costs	244,006	-	-
Interest	7,531	8,851	10,449
Other	21,417	-	-
Total revenues	3,910,703	8,851	564,870
Expenditures:			
Current:			
General government	1,306,870	-	-
Transportation	458,829	59,200	-
Public safety	975,696	-	12,488
Sanitation and environmental	247,779	-	-
Health and welfare	512,097	-	-
Recreation and culture	30,175	-	-
Intergovernmental:			
Payments to local government agencies	97,245	-	-
Capital outlays:			
General government	36,345	-	-
Health and welfare	135,991	-	-
Transportation	-	149,595	-
Public safety	6,677	-	-
Debt service:			
Principal	-	-	1,297,779
Interest	-	-	60,939
Total expenditures	3,807,704	208,795	1,371,206
Excess of revenues over/ (under) expenditures	102,999	(199,944)	(806,336)

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

Johnson County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General Fund	SPLOST Roads, Streets and Bridges	SPLOST Jail Construction
Other financing sources (uses):			
Sale of assets	-	-	-
Transfers from other funds	24,000	-	-
Transfers to other funds	(69,398)	-	-
Loan proceeds	-	-	-
Total other financing sources (uses)	(45,398)	-	-
Excess of revenues and other sources over/(under) expenditures and other uses	57,601	(199,944)	(806,336)
Fund balance, January 1, 2010	2,048,495	587,788	1,112,907
Fund balance, December 31, 2010	$ 2,106,096	$ 387,844	$ 306,571

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

Local Resource Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 1,999,058
6,155	103,515	408,363
-	-	300,000
-	-	300,000
-	1,906	133,577
-	-	230,258
-	-	67,385
$ 6,155	$ 105,421	$ 3,438,641

$ -	$ 100	$ 105,590
-	-	421,064
-	100	526,654
-	-	387,844
-	-	306,571
-	13,690	13,690
-	378	378
-	2,649	2,649
-	-	-
6,155	-	6,155
-	33,740	33,740
-	54,864	54,864
-	-	2,106,096
6,155	105,321	2,911,987
$ 6,155	$ 105,421	$ 3,438,641

Local Resources Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 1,987,601
-	-	11,412
-	-	37,098
-	-	183,288
-	-	909,176
-	-	5,984
-	-	5,430
-	-	275,695
-	-	57,169
-	-	93,804
-	50,000	146,242
-	-	529,271
-	25,253	269,259
-	7	26,838
-	-	21,417
-	75,260	4,559,684
-	-	1,306,870
-	-	518,029
-	16,275	1,004,459
-	-	247,779
1,000	-	513,097
-	-	30,175
-	-	97,245
-	-	36,345
-	100,388	236,379
-	100,388	249,983
26,739	-	33,416
-	-	1,297,779
-	-	60,939
27,739	217,051	5,632,495
(27,739)	(141,791)	(1,072,811)

Local Resources Fund	Other Governmental Funds	Total Governmental Funds
4,000	-	4,000
4,000	65,398	93,398
-	(24,000)	(93,398)
-	150,000	150,000
8,000	191,398	154,000
(19,739)	49,607	(918,811)
25,894	55,714	3,830,798
$ 6,155	$ 105,321	$ 2,911,987

Johnson County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
December 31, 2010

Amounts reported for governmental activities on the statement of net assets are different because of the following:

Fund balances - total governmental funds	$ 2,911,987
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds	7,426,249
Certain long-term assets are not available to pay current expenditures and are therefore deferred in the funds	421,064
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds	(56,513)
The proceeds of debt provide current financial resources to government funds, but debt increases long-term liabilities in the statement of net assets	(1,378,524)
Net assets of governmental activities	$ 9,324,263

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

Johnson County, Georgia
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2010

Net changes in fund balances - Total government funds		$ (918,810)
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year:		
Capital outlay - Depreciable capital assets	556,123	
Depreciation	(371,150)	184,973
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Property taxes		98,513
Some expenses reported on the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated absences payable		(41,502)
The repayment of long-term debt consumes the current financial resources of government funds, debt decreases long-term liabilities in the Statement of Net Assets		1,297,779
The issuance of long-term debt increases the current financial resources of government funds, the debt increases long-term liabilities in the Statement of Net Assets		(150,000)
Changes in net assets of governmental activities		$ 470,953

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

Johnson County, Georgia
General Fund
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	$ 1,660,000	$ 1,660,000	$ 1,987,601	$ 327,601
Intangible taxes (recording)	15,000	15,000	11,412	(3,588)
Mobile home taxes	34,000	34,000	37,098	3,098
Motor vehicle	200,000	200,000	183,288	(16,712)
Sales tax	350,000	350,000	354,755	4,755
Alcoholic beverage tax	12,000	12,000	5,984	(6,016)
Transfer tax	4,500	4,500	5,430	930
Insurance premium tax	285,000	285,000	275,695	(9,305)
Timber tax	40,000	40,000	57,169	17,169
Other taxes	64,000	64,000	93,804	29,804
Intergovernmental	20,000	20,000	96,242	76,242
Charges for services	469,000	469,000	529,271	60,271
Fines and court costs	267,000	267,000	244,006	(22,994)
Interest	18,000	18,000	7,531	(10,469)
Other	3,450	3,450	21,417	17,967
Total revenues	3,441,950	3,441,950	3,910,703	468,753
Expenditures:				
Current:				
General government				
Governing body	59,734	59,734	59,892	(158)
Board of equalization	-	-	642	(642)
Chief Executive (Administrator)	62,054	62,054	60,821	1,233
Board of elections	94,367	94,367	67,417	26,950
County administration	142,585	142,585	115,524	27,061
County attorney	12,000	12,000	17,026	(5,026)
Tax commissioner	136,311	136,311	127,467	8,844
Tax assessor	143,532	143,532	121,942	21,590
County extension agent	56,126	56,126	50,728	5,398
Clerk of superior court	156,004	156,004	140,868	15,136
Superior court	201,282	201,282	185,367	15,915
Juvenile court	20,000	20,000	37,079	(17,079)
Probate court	141,257	141,257	125,140	16,117
Magistrate court	50,647	50,647	48,444	2,203
Coroner	12,501	12,501	10,816	1,685
Public buildings	128,950	198,950	137,697	61,253
Total general government	1,417,350	1,487,350	1,306,870	180,480

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

General Fund
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety:				
Sheriff	$ 549,467	$ 549,467	$ 568,353	$ (18,886)
Jail	345,820	345,820	372,564	(26,744)
Civil defense	20,627	20,627	19,243	1,384
Rural fire departments	17,000	17,000	15,536	1,464
Total public safety	932,914	932,914	975,696	(42,782)
Transportation:				
Highways and streets	523,716	523,716	458,829	64,887
Total transportation	523,716	523,716	458,829	64,887
Sanitation and environmental:				
Solid waste and recycling administration	24,000	24,000	47,932	(23,932)
Solid waste disposal	200,635	200,635	189,930	10,705
Landfill post closure	18,000	18,000	9,917	8,083
Total sanitation and environmental	242,635	242,635	247,779	(5,144)
Health and welfare:				
Ambulance service	538,864	538,864	453,427	85,437
Senior citizens	57,175	57,175	58,670	(1,495)
Total health and welfare	596,039	596,039	512,097	83,942
Recreation and culture:				
Parks and recreation	33,544	33,544	30,175	3,369
Total recreation and culture	33,544	33,544	30,175	3,369
Intergovernmental:				
Payments to local government agencies	105,400	105,400	97,245	8,155
Total Intergovernmental	105,400	105,400	97,245	8,155

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

Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital outlays				
General government	$ -	$ 3,500	$ 36,345	$ (32,845)
Health and welfare	-	-	135,991	(135,991)
Public safety	-	-	6,677	(6,677)
Total capital outlay	-	3,500	179,013	(175,513)
Total expenditures	3,851,598	3,925,098	3,807,704	117,394
Excess of revenues over/ (under) expenditures	(409,648)	(483,148)	102,999	586,147
Other financing sources (uses):				
Transfers from other funds	17,500	17,500	24,000	6,500
Transfers to other funds	(10,000)	(10,000)	(69,398)	(59,398)
Total other financing sources (uses)	7,500	7,500	(45,398)	(52,898)
Excess of revenues and other sources over/ (under) expenditures and other uses	(402,148)	(475,648)	57,601	533,249
Fund balance, January 1, 2010	2,048,495	2,048,495	2,048,495	-
Fund balance, December 31, 2010	$ 1,646,347	$ 1,572,847	$ 2,106,096	$ 533,249

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

Johnson County, Georgia
SPLOST - Roads, Streets and Bridges
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(GAAP Budget Basis)
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenue	$ -	$ -	$ -	$ -
County sales tax	-	-	-	-
Interest	15,000	15,000	8,851	(6,149)
Other	-	-	-	-
Total revenues	15,000	15,000	8,851	(6,149)
Expenditures:				
Transportation	82,500	82,500	59,200	23,300
Capital outlay	150,000	150,000	149,595	405
Total expenditures	232,500	232,500	208,795	23,705
Excess (deficiency) of revenues over expenditures	(217,500)	(217,500)	(199,944)	17,556
Other financing sources (uses):				
Reserved for roads, streets, and bridges	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(217,500)	(217,500)	(199,944)	17,556
Fund balance, January 1, 2010	587,788	587,788	587,788	-
Fund balance, December 31, 2010	$ 370,288	$ 370,288	$ 387,844	$ 17,556

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

Johnson County, Georgia
SPLOST - Jail Construction
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(GAAP Budget Basis)
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues:				
County sales tax	$ 500,000	$ 500,000	$ 554,421	$ 54,421
Interest	7,500	7,500	10,449	2,949
Total revenues	507,500	507,500	564,870	57,370
Expenditures:				
Public safety	-	-	12,488	(12,488)
Capital outlay	-	-	-	-
Debt service	284,616	284,616	1,358,718	(1,074,102)
Total expenditures	284,616	284,616	1,371,206	(1,086,590)
Excess (deficiency) of revenues over expenditures	222,884	222,884	(806,336)	(1,029,220)
Other financing sources (uses):				
Reserved for jail construction	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	222,884	222,884	(806,336)	(1,029,220)
Fund balance, January 1, 2010	1,112,907	1,112,907	1,112,907	-
Fund balance, December 31, 2010	$1,335,791	$1,335,791	$ 306,571	$ (1,029,220)

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

Johnson County, Georgia
Local Resources Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(GAAP Budget Basis)
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenue:				
Other	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Health and welfare	-	-	1,000	(1,000)
Capital outlay	10,000	10,000	26,739	(16,739)
Total expenditures	10,000	10,000	27,739	(17,739)
Excess (deficiency) of revenues over expenditures	(10,000)	(10,000)	(27,739)	(17,739)
Other financing sources (uses)				
Sale of assets	-	-	4,000	4,000
Transfer from other funds	20,000	20,000	4,000	(16,000)
Total other financing sources (uses)	20,000	20,000	8,000	(12,000)
Excess of revenues and other sources over (under) expenditures and other (uses)	10,000	10,000	(19,739)	(29,739)
Fund balance, January 1, 2010	25,894	25,894	25,894	-
Fund balance, December 31, 2010	$ 35,894	$ 35,894	$ 6,155	$ (29,739)

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

Johnson County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2010

	Agency Funds
Assets:	
Cash and cash equivalents	$ 161,179
Taxes receivable	1,240,497
Total assets	$ 1,401,676
Liabilities:	
Due to other governmental units	$ 1,401,676
Total liabilities	$ 1,401,676

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The County is governed by a board of five Commissioners elected by the voters of the County. Other officials elected by the voters of the county that manage various segments of the County's operations are Clerk of Court, Sheriff, Tax Commissioner, Coroner, Probate Judge and Magistrate Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire county.

Section 2100 of the standards published by the Governmental Accounting Standards Board (GASB) defines the reporting entity as the primary government and all its component units, if any, according to GASB-14. The identification of a financial reporting entity is based on the concept of financial accountability. GASB-14 defines a primary government as a government that:

1. Has a separately elected governing body;
2. Is legally separate;
3. Is fiscally independent of other statement local governments.

For financial reporting purposes, in accordance with the criteria in GASB Standards, the County includes all funds, agencies, boards, commissions, and authorities that are within its primary government. A component unit is a legally separate organization for which elected officials of a primary government are financially accountable. There are three sets of criteria that the County evaluates to determine whether a potential component unit will be included in the reporting entity of Johnson County. They are financial accountability, financial accountability as a result of fiscal dependency, and misleading to exclude the component units.

Certain County officials collect and disburse taxes, fees, fines, etc. Separate records of accountability are maintained for such receipts. For purposes of this report, these records are included as a part of agency trust funds with remittances to the General Fund from these officials recorded as revenue. Operating costs for these officials are included as a part of the County's General Fund. These units included Tax Commissioner, Sheriff, Clerk of Courts, Probate Court and Magistrate Court.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity: (Continued)

The component unit columns on the basic financial statements include the financial data of the County's discretely presented component units. They are reported in separate columns to emphasize that they are legally separate from the County.

Johnson County Recreation Department

This component unit is served by a nine-member board that is appointed by the Board of Commissioners. The County is financially accountable for all operations and the budget adopted. The Department offers sport related activities to the citizens of Johnson County. Program revenues are generated mainly from user fees and donations.

Johnson County Development Authority

This component unit is served by an eight-member board that is appointed by the Board of Commissioners. The County is financially accountable for all operations. The Authority serves to promote economic development in Johnson County. Revenues are generated from donations and grants.

Johnson County Public Health Center

This component unit is served by a seven member board that is appointed by the Board of Commissioners. The center provides various health services for citizens of Johnson County under a contract with the Georgia Department of Human Resources (DHR). Under this contractual agreement DHR provides certain administrative and other services to the Center in addition to the grant-in-aid funding. These services are funded through other government entities or directly by DHR and therefore the value of these services are not reflected in these financial statements.

This component unit issues separately audited financial statements. Copies of this report may be obtained from the Health Center. The Johnson County Health Center's fiscal year for reporting is June 30. The fiscal year incorporated into these financial statements is June 30, 2010.

Based on the GASB criteria, the following units are not under the oversight responsibilities of the Board of Commissioners and their operations are not included in this report: Johnson County Board of Education, Johnson County Department of Family and Children's Services.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity: (Continued)

The financial statements of Johnson County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Also Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements. Following are the more significant of the County's accounting policies.

B. Basis of Presentation

The County's basic financial statements consist of government-wide financial 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 statement of net assets and the statement of activities display information about the county as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. There are no business type activities at December 31, 2010.

The statement of net assets presents the financial condition of the governmental activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods, or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the County.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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. The focus of governmental and propriety fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type. The County has no proprietary funds.

C. Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions of the County 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 purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental funds: assets and liabilities are reported as fund balance. The following are the County's major governmental funds:

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

SPLOST – Roads, Streets, and Bridges. This fund accounts for monies from the special 1% sales tax. These funds are restricted for road repair and road machinery.

SPLOST – Jail Construction. This fund accounts for monies from the special 1% sales tax. These funds are restricted for repayment of Jail construction debt.

LOCAL RESOURCES FUND. This fund accounts for monies that are held for the purchase of equipment and vehicles that are normally purchased from the General Fund.

FIRE FEE FUND. This fund accounts for monies collected for use by the rural fire departments and emergency management.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting (Continued)

Governmental Funds (Continued)

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose and the acquisition or construction of major capital facilities.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The County's investment trust fund accounts for the external portion of the cash management pool, which represents resources that belong to legally separate entities. The County's agency funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent and for taxes, state-levied shared revenues, and finances and forfeitures collected and distributed to other political subdivisions.

D. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets.

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 are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects 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 fund financial statements for governmental funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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. Governmental funds use the modified accrual basis of accounting; fiduciary funds use the accrual basis of accounting. Differences in the accrual and 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 and Nonexchange Transactions

Revenues 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 recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty days after year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Basis of Accounting (Continued)

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, grants, interest, and rent.

Deferred Revenues

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim at December 31, 2010, and were levied to finance 2010 operations, have been recorded as deferred revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue. The property tax deferred revenue on these statements amounts to $421,064.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgetary Data

1. Prior to December 1, the County Budget Officer submits to the Commission a proposed operating budget for fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Data (Continued)

2. The Commission holds a public hearing on the budget, giving notice thereof at least fourteen days in advance by publication in the official organ.

3. The budget is then reviewed and adopted by the Commission at the last regular meeting in December for the next year to which it applies.

4. The budget so adopted may be revised during the year only by formal action of the Commission in a regular meeting and no increase shall be made therein without provision also begin made for financing same.

5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.

6. Budgeted amounts are as originally adopted, or as amended by the Commission, if such amendments are considered material to the budget as a whole.

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed. Accordingly, encumbrances outstanding at year-end are not reported as reservations of fund balances nor do they constitute expenditures or liabilities. Generally accepted accounting principles do not require encumbrance accounting. Likewise, Johnson County does not use encumbrance accounting.

H. Inventories

Inventory consists of expendable supplies held for consumption. The cost of these supplies on hand are considered immaterial to the balance sheets of the various funds and are not shown as assets of the funds nor is any portion of the fund balance reported as reserved for inventories. Inventory type items are recorded as an expense/expenditure when purchased.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Cash and Investments

For purposes of the statement of net assets, cash and investments with a maturity of three months or less at the time they are purchased by the County are considered to be cash and cash equivalents. Investments with maturity of more than three months are reported as investments.

J. Prepaid Items

Payments to vendors for services that will benefit periods beyond December 31, 2010, are reported as prepaid items by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

K. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Certain cash resources are set aside for various purposes in the special revenue funds. These restricted funds are classified as restricted assets on the balance sheet because their use is limited.

L. Capital Assets

General capital assets are capital assets, which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value on the date donated. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads, bridges, and culverts. Improvements 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 not capitalized. Prior infrastructure has not been capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

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

Description	Estimated Lives
Buildings and Building Improvements	40-100 years
Improvements Other Than Buildings	40 years
Machinery and Equipment	7-10 years
Vehicles	5 years
Infrastructure	5-50 years
Land Improvements	15 years

M. Compensated Absences

Primary government

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 the County will compensate the employees for the benefits through paid time.

The compensated absences liability for vacation is reported on the government-wide financial statements.

Employees accumulate sick leave at the rate of ten (10) hours per month. The maximum permissible accumulation is 90 days. No sick leave is paid upon employee termination.

Accumulated sick leave benefits have not been recorded as a liability because these benefits are paid only upon the illness of an employee, and the amount of such payment cannot be reasonably estimated.

Component Unit

Johnson County Public Health Center

Annual and sick leave costs are charged to operations at the time the expenditure is made.

Employees can earn annual leave at the rate of ten (10) hours per month during the first five (5) years of employment; twelve (12) hours per month after five (5) through ten (10) years of employment; and fourteen (14) hours per month after ten (10) years of employment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences (Continued)

Component Units (Continued)

There is no requirement that annual leave be taken, but the maximum accumulated annual leave is forty-five (45) days. At termination, employees are paid for any accumulated annual leave. The liability for accumulated annual leave at June 30, 2010, is estimated to be $4,770 as recorded in the statement of net asset.

N. Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due to other funds/Due from other funds. Interfund balances within governmental activities are eliminated on the government-wide statement of net assets.

O. Estimates

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

NOTE 2. CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT

Effective January 1, 2003, the County implemented the provisions of GASB 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments."* This statement significantly changes the financial reporting model and reporting requirements. The County implemented the new reporting model one year in advance.

The County also has adopted GASB 33 "*Accounting and Financial Reporting for Nonexchange Transactions"*; GASB 36 "*Recipient Reporting for Certain Shared Nonexchange Revenues"*; GASB 37 "*Basic Financial Statements and Management's Discussion and Analysis for State Local Governments: Omnibus"*; GASB 38 "*Certain Financial Statement Note Disclosures"*; and GASB Interpretation 6 "*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*."

GASB 37 makes certain clarifications regarding escheat property and modifies several provisions of GASB 34 including the Management's Discussion and Analysis. GASB 38 modifies, establishes and rescinds certain financial statement disclosure requirements.

NOTE 2. CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT (CONTINUED)

GASB 34 creates new basic financial statements for reporting on the County's financial activities. The financial statements include government-wide financial statements prepared on the accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are aggregated and presented in a single column. A major fund is determined by those whose revenues, expenditures/expenses, assets or liabilities are at least 10% of corresponding totals for all governmental or all enterprise funds and for that same element at least 5% of the combined totals of the governmental and enterprise funds.

NOTE 3. CUSTODIAL CREDIT RISK - DEPOSITS

Primary government:

The county government had the following depository accounts. All deposits are carried at cost plus accrued interest.

Primary government:	Carrying Amount	Bank Balance
Cash and Cash equivalents	$ 1,999,058	$ 594,442
Cash restricted	408,363	408,363
Certificates of Deposit (restricted)	300,000	300,000
Certificates of Deposit (unrestricted)	300,000	300,000
	$ 3,007,421	$ 1,602,805

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government's deposit policy requires pledges of collateral for all cash deposits in depository institutions.

As of December 31, 2010, the government's bank balance of $1,602,805 was exposed to custodial credit risk as follows:

Insured or collateralized with securities held by the entity or by its agent in the entity's name.	$ 1,602,805

As all bank balances are insured or collateralized Georgia statute requires collateral at 110% of the government's bank balance, less the amount of FDIC insurance.

Agency Funds:
The Johnson County Tax Commissioner had the following depository accounts.

	Carrying Amount	Bank Balance
Cash and Cash equivalents	$ 103,301	$ 1,448,969

NOTE 3. CUSTODIAL CREDIT RISK – DEPOSITS (CONTINUED)

As of December 31, 2010, the agency's bank balance of $1,448,969 was exposed to custodial credit risk as follows:

Insured or collateralized with securities held by the entity or by its agent in the entity's name.	$ 1,448,969

Georgia statute requires collateral at 110% of the government's bank balance, less the amount of FDIC insurance, to be held in the government's name by the safe keeping agent.

Component units –

Johnson County Recreation Department
The Recreation Department had the following depository accounts:

	Carrying Amount	Bank Balance
Cash and Cash Equivalents	$ 9,812	$ 9,812

As of December 31, 2010, the Recreation Department bank balance of $9,812 was exposed to custodial credit risk as follows:

Insured by FDIC insurance	$ 9,812

Johnson County Development Authority
The Development Authority had the following depository accounts

	Carrying Amount	Bank Balance
Cash and Cash Equivalents	$ 11,127	$ 11,127

As of December 31, 2010, the Development Authority's bank balance of $11,127 was exposed to custodial credit risk as follows:

Insured by FDIC insurance	$ 11,127

Johnson County Public Health Center
The Public Health Center had the following depository accounts

	Carrying Amount	Bank Balance
Cash and Cash Equivalents	$ 110,373	$ 119,952
Certificates of Deposit (unrestricted)	237,557	237,557
	$ 347,930	$ 357,509

NOTE 3. CUSTODIAL CREDIT RISK – DEPOSITS (CONTINUED)

As of June 30, 2010, the Public Health Center's bank balance of $ 357,509 was exposed to custodial credit risk as follows:

Insured or collateralized with securities held by the entity or by its agent in the entity's name.	$ 357,509

As all bank balances are insured or collateralized Georgia statute requires collateral at 110% of the government's bank balance, less the amount of FDIC Insurance.

NOTE 4. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are recognized when levied to the extent they result in current receivables. Taxes of real and personal property are payable once a year. In the governmental funds, taxes not collected within sixty days after year-end, are reported as deferred revenue. The government-wide financial statements are reported on the accrual basis, therefore, no deferred revenues are reflected for property taxes.

Taxes are generally levied by October 20th and are due by December 20th. As required by law, the County must submit a tax digest to the State of Georgia each year for approval.

The Tax Commissioner collects property taxes on behalf of all taxing districts within the County. The Tax Commissioner periodically remits to the taxing districts their portions of the taxes collected. The Tax Commissioner is one of the agency funds.

The Tax Commissioner had taxes receivable of $1,240,497. The total deferred revenue in the governmental funds at December 31, 2010, totals $421,064 which is deferred revenue on property taxes.

NOTE 5. SIGNIFICANT CONTINGENCIES, STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Retirement Commitments – primary government

The County participates in several retirement and pension plans funded by fees received by the County. The County is not in direct control of the plans and are only committed to fund actual fees collected on a per case basis. The plans are The Probate Judges' Retirement Fund of Georgia, Clerk of Superior Court Retirement Fund, and the Sheriff's Retirement Fund/Peace Officers Annuity and Benefit Fund.

During 2010 the County enrolled in GEBC Corp 457(b) Deferred Compensation plan. All full-time and part-time employees are eligible to participate in the Plan. The County government has elected not to make contributions to this plan on behalf of any employee. Age 50 catch-up contributions are allowed. The employee can contribute 100% of his pay up to a maximum of $16,500. Any contributions made by the employee are immediately 100% vested along with the investment earnings. At year end there were 68 employees eligible to participate and thirteen employees were participating.

NOTE 5. SIGNIFICANT CONTINGENCIES, STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Component Unit

Johnson County Public Health Center

The employees of the Center participate in The Georgia State Employees' Retirement System. The plan is administered by the State of Georgia, and accumulated benefits and plan assets are not determined or allocated to the individual participating governmental entities. The retirement contributions for the year ended June 30, 2010, were $14,205. Contributions are fully vested to employees after ten (10) years of continuous service.

NOTE 6. PERMISSIVE SALES TAX

The County Commissioners, by resolution, imposed a one percent tax on all retail taxable sales made in the County. As required by State Statute, the County Commissioners established how the sales tax proceeds would be allocated. The sales tax proceeds are credited to special revenue funds. Part of the sales tax proceeds are used for new jail construction and the other proceeds are used for roads, streets and bridges. A receivable is recognized at year-end for amounts that will be receivable from sales in 2010. The total amount of special sales tax receivable at December 31, 2010, totaled $95,722.

NOTE 7. RECEIVABLES

Receivables at December 31, 2010, consist of accounts, sales taxes, motor vehicle taxes, mobile home taxes, property taxes and user charged services. All amounts due from other governments are considered collectible in full. The County's ambulance service fees have a 50% allowance for uncollectibles recorded. This allowance amount is $113,729.

A summary of the principal amounts due from other governments follows:

Fund	Description	Amount
General Fund	Sales tax	$ 61,261
Special Revenue Funds		
SPLOST Jail Construction	Special sales tax	95,722
General Fund	Ambulance grant	73,275
Total		$ 230,258

NOTE 8. CAPITAL ASSETS

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

	Balance at January 1, 2010	Additions	Reductions	Balance at December 31, 2010
Primary Government				
Governmental Activities				
Non Depreciable Capital Assets				
Land	$ 577,255	$ 14,054	$ -	$ 591,309
Total Non Depreciable Capital Assets	577,255	14,054	-	591,309
Depreciable Capital Assets				
Land improvements	-	18,201	-	18,201
Infrastructure	562,075	-	-	562,075
Buildings	7,478,005	186,722	-	7,664,727
Equipment	1,251,878	102,174	61,601	1,292,451
Furniture and fixtures	387,219	63,084	-	450,303
Vehicles	576,877	171,888	20,000	728,765
Total Depreciable Capital Assets	10,256,054	542,069	81,601	10,716,522
Less Accumulated Depreciation for:				
Land improvements	-	(481)	-	(481)
Infrastructure	(113,725)	(29,335)	-	(143,060)
Buildings	(1,706,008)	(143,382)	-	(1,849,390)
Equipment	(926,066)	(132,976)	61,600	(997,442)
Furniture and Fixtures	(370,270)	(13,824)	-	(384,094)
Vehicles	(475,963)	(51,152)	20,000	(507,115)
Total Accumulated Depreciation	(3,592,032)	(371,150)	81,600	(3,881,582)
Total Depreciable Capital Assets, Net	6,664,022	170,919	1	6,834,940
Governmental Activities Capital Assets, Net	$7,241,277	$ 184,973	$ 1	$ 7,426,249

NOTE 8. CAPITAL ASSETS (CONTINUED)

Component units
Johnson County Development Authority

	Balance at January 1, 2010	Additions	Reductions	Balance at December 31, 2010
Non Depreciable Capital Assets				
Land	$310,179	$ -	$ -	$ 310,179
Total Non Depreciable Capital Assets	310,179	-	-	310,179
Depreciable Capital Assets				
Land improvements	24,342	-	-	24,342
Total Depreciable Capital Assets	24,342	-	-	24,342
Less Accumulated Depreciation for:				
Land improvements	(6,487)	(2,289)	-	(8,776)
Total Accumulated Depreciation	(6,487)	(2,289)	-	(8,776)
Total Depreciable Capital Assets, Net	17,855	(2,289)	-	15,566
Capital Assets, Net	$328,034	$(2,289)	$ -	$ 325,745

Johnson County Public Health Center

	Balance at July 1, 2009	Additions	Reductions	Balance at June 30, 2010
Depreciable Capital Assets				
Equipment	$ 46,618	$ -	$ 1,894	$ 44,724
Total Depreciable Capital Assets	46,618	-	1,894	44,724
Less Accumulated Depreciation for:				
Equipment	(45,965)	(163)	(1,894)	(44,234)
Total Accumulated Depreciation	(45,965)	(163)	(1,894)	(44,234)
Total Depreciable Capital Assets, Net	$ 653	$ (163)	$ -	$ 490

NOTE 8. CAPITAL ASSETS (CONTINUED)

Johnson County Recreation Department

	Balance at January 1, 2010	Additions	Reductions	Balance at December 31, 2010
Non Depreciable Capital Assets				
Land	$ 58,000	$ -	$ -	$ 58,000
Total Non Depreciable Capital Assets	58,000	-	-	58,000
Depreciable Capital Assets				
Buildings	50,000	-	-	50,000
Equipment	61,128	-	-	61,128
Total Depreciable Capital Assets	111,128	-	-	111,128
Less Accumulated Depreciation for:				
Buildings	(16,000)	(1,000)	-	(17,000)
Equipment	(33,324)	(4,487)	-	(37,811)
Total Accumulated Depreciation	(49,324)	(5,487)	-	(54,811)
Total Depreciable Capital Assets, Net	61,804	(5,487)	-	56,317
Capital Assets, Net	$119,804	$(5,487)	$ -	$ 114,317

Depreciation expense charged to governmental functions was as follows:

Governmental activities:	
General government	$ 63,946
Public safety	109,526
Health and welfare	29,436
Transportation	153,494
Sanitation and environmental	-
Recreation and culture	14,748
Total depreciation expense - governmental activities	$ 371,150

NOTE 9. NOTES PAYABLE

At the beginning of 2010 the County owed Suntrust Leasing Corporation $2,526,306 on the jail constructed in 2005. Repayment of this debt occurs from the collection of special purpose local option sales tax. On January 28, 2010, the County refinanced this installment sales agreement with Suntrust Leasing Corporation at an annual interest rate of 3.30% and an extra $550,000 principal payment. On October 28, 2010, the County also made an extra $430,265 principal payment. Regular monthly payment amounts excluding the extra principal payments are $35,000. The following is a summary of this year's activity on the note:

	Balance January 1, 2010	Additions	Reductions	Balance December 31, 2010
Suntrust Leasing Corporation	$ 2,526,306	$ -	$ 1,297,779	$ 1,228,527

Note maturities for the upcoming years on this debt are as follows:

	Total Payments	Principal	Interest
December 31, 2011	$ 420,000	$ 385,251	$ 34,749
December 31, 2012	420,000	398,158	21,842
December 31, 2013	420,000	411,498	8,502
December 31, 2014	33,712	33,620	92
Total	$ 1,293,712	$ 1,228,527	$ 65,185

The above schedule does not include any prepayment penalties.

NOTE 9. NOTES PAYABLE (Continued)

On December 10, 2010, the County purchased improved real estate for an emergency medical service and road department facility. The total cost of the facility was $200,000 purchased with a $50,000 grant and $150,000 debt through the United States Department of Agriculture. The debt is based on a 20 year payout with annual payments of $10,796 beginning December 10, 2011. The interest rate is calculated at 3.75% per annum. This note is secured by the purchased real estate.

Note maturities for the upcoming years in five year increments on this debt are as follows:

	Total Payments	Principal	Interest
December 31, 2011	$ 10,796	$ 5,168	$ 5,628
December 31, 2012	10,796	5,362	5,434
December 31, 2013	10,796	5,563	5,233
December 31, 2014	10,796	5,772	5,024
December 31, 2015	10,796	5,988	4,808
	53,980	27,853	26,127
December 31, 2016	10,796	6,213	4,583
December 31, 2017	10,796	6,446	4,350
December 31, 2018	10,796	6,688	4,108
December 31, 2019	10,796	6,939	3,857
December 31, 2020	10,796	7,200	3,596
	53,980	33,486	20,494
December 31, 2021	10,796	7,470	3,326
December 31, 2022	10,796	7,750	3,046
December 31, 2023	10,796	8,041	2,755
December 31, 2024	10,796	8,342	2,454
December 31, 2025	10,796	8,655	2,141
	53,980	40,258	13,722
December 31, 2026	10,796	8,980	1,816
December 31, 2027	10,796	9,317	1,479
December 31, 2028	10,796	9,667	1,129
December 31, 2029	10,796	10,029	767
December 31, 2030	10,800	10,410	390
	53,984	48,403	5,581
Total	$ 215,924	$ 150,000	$ 65,924

NOTE 10. INTERFUND BALANCES

Generally outstanding balances between funds are reported as due from/due to other funds. The due to and due from are current and involve no long–term receivables and payables. There are no interfund balances at December 31, 2010.

NOTE 11. OTHER LONG-TERM LIABILITIES

Primary government:

Vacation benefits are accrued as a liability as benefits are earned if the employees right to receive compensation are attributable to services already rendered. The following is a schedule of vacation benefits payable during the year.

Compensated Absences Payable	
Beginning Balance	$ 15,011
Increases	56,513
Decreases	(15,011)
Ending Balances	$ 56,513
Current	$ 56,513
Long Term	$ -

In the past all compensated absences has been paid out of the general fund and the current amount is expected to be paid from the same fund.

NOTE 11. OTHER LONG-TERM LIABILITIES (CONTINUED)

Component unit:

The Johnson County Public Health Center has accumulated annual leave at June 30, 2010, totaling $4,770. The following is a schedule of annual leave payable during the year.

Compensated Absences Payable	
Beginning Balance	$ 4,169
Increases	601
Decreases	-
Ending Balances	$ 4,770
Current	$ 954
Long Term	$ 3,816

In the past all compensated absences has been paid out of the general fund of the health center and the current amount is expected to be paid from the same fund.

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund and the Association County Commissioners of Georgia – Interlocal Risk Management Agency (ACCG-IRMA), public entity risk pools currently operating as a common risk management and insurance program for member local governments. The County pays an annual premium to the funds for its insurance coverage. The funds are owned by participating member municipalities and is to be self-sustaining through member premiums. The funds are to defend and protect members of the fund against liability or loss as prescribed in the member governments' contracts and in accordance with the worker's compensation laws of Georgia. The agreement between the members of the public entity risk pool provides that members may be required to pay additional assessments as shall be established by the Board of the pool; however, no additional assessments have been required of the members since formation of the pool.

NOTE 13. JOINT VENTURE

Under Georgia law, Johnson County, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Heart of Georgia Altamaha 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 may be obtained from:

Heart of Georgia Altamaha Regional Commission
5405 Oak Street
Eastman, Georgia 31023

NOTE 14. SANITARY LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require Johnson County to place a final cover on its landfill sites 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 cash 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 landfill capacity used as of each balance sheet date.

The County received a closure certificate from the Georgia Department of Natural Resources on August 26, 1996. The County no longer accepts waste at the site and contracts waste management services to private entities.

Due to the competitive nature of the market which serves landfill monitoring and care and changes in inflation and technology, the estimated post-closure and closure care costs may fluctuate from year to year. There was no change in the estimated post-closure and closure care costs during the fiscal year ended December 31, 2010.

NOTE 15. CONTINGENCIES

There are no contingencies or threatened litigation that would have a material effect on the financial statements.

NOTE 16. CONDUIT DEBT

The County had no conduit debt at December 31, 2010.

NOTE 17. INTERFUND TRANSFERS

The following is a schedule of transfers between funds:

	Transfers In		Transfers Out
General Fund	$ 20,000	Jail Fund	$ 20,000
General Fund	4,000	Drug Fund	4,000
Fire Fee Fund	64,398	General Fund	64,398
Local Resources Fund	4,000	General Fund	4,000
Major Grant Fund	1,000	General Fund	1,000
Total	$ 93,398		$ 93,398

The purpose for most of these interfund transfers is to provide funds with sufficient cash resources for ongoing operations.

NOTE 18. SUBSEQUENT EVENTS

There are no events after December 31, 2010, that would have a material effect on the financial statements.

NOTE 19. RESERVED FUND BALANCES

Primary government:

SPLOST - Roads, Streets, and Bridges	$ 387,844
SPLOST - Jail Construction Debt	306,571
Jail Fund	13,690
Drug Fund	2,649
Fire Fee Fund	54,864
Capital Projects Fund	378
Local Resources Fund	6,155
Law Library Fund	33,740
	$ 805,891

NOTE 20. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Separate financial statements on the Johnson County Public Health Center may be obtained from:

Laurens County Board of Health
2121 Bellevue Road
Dublin, Georgia 31021

Separate financial statements are not issued on the Johnson County Development Authority and Johnson County Recreation Department and are included since they are component units.

Johnson County's policy for the use of restricted net assets where both unrestricted and restricted are available for an expense is to use the restricted net assets first before applying the unrestricted.

NOTE 21. COMPONENT UNITS

A. Johnson County Recreation

Basis of Accounting – The financial statements of The Johnson County Recreation Department have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

B. Johnson County Development Authority

Basis of Accounting – The financial statements of The Johnson County Development Authority have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

C. Johnson County Public Health Center

Basis of Accounting – The financial statements of The Johnson County Public Health Center have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

NOTE 22. FINANCIAL RESPONSIBILITY AND COMPLIANCE

The following paragraphs explain the over-budgeted line items.

GENERAL FUND:

Among those items over budget in the general government category include the county attorney and juvenile court. The county attorney line was over budget and was not amended during the year. The County paid the attorney to handle some legal issues. The juvenile court was over budget. This line item was not correctly budgeted and was an administrative oversight.

Under the public safety line the sheriff and jail were over budget. Overtime for employees and medical expense for prisoners were higher than anticipated.

Solid waste and recycling was overbudget. An employee was hired to oversee waste management which was not taken into account when the original budget was adopted.

Capital outlays for general government, health and welfare and public safety were over budget. When the original budget was adopted the county was not anticpaitng to spend monies for these capital outlays. Under health and welfare the County purchased a new ambulance costing $105,991. To cover the purchase of this ambulance the County received a state grant in the amount of $73,276.

Transfers to other funds was overbudget as the General Fund budget was not amended for transfers to the Fire Fee Fund.

SPLOST-Jail Construction:

The SPLOST-Jail Construction original budget was not amended. On January 28, 2010, the County refinanced this debt. At the time of the original budget adoption the County did not anticipate the refinance.

Local Resource Fund:

Under capital outlay the County paid $26,739 for 911 mapping. It was not anticipated at the original budget adoption of this cost; therefore, this line item was overbudget.

In summary, the County should have amended the applicable budgets to compensate for the increased expenditures in these groups.

Johnson County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Jail Fund	Drug Fund	Multiple Grant Fund
ASSETS			
Assets:			
Cash and cash equivalents	$ 11,844	$ 2,589	$ -
Accounts receivable	1,846	60	-
Total assets	$ 13,690	$ 2,649	$ -
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ -	$ -
Due to other funds	-	-	-
Total liabilities	-	-	-
Fund Balances:			
Reserved for rural fire department & emergency management	-	-	-
Reserved for jail expenditures	13,690	-	-
Reserved for drug education	-	2,649	-
Reserved for multiple grants	-	-	-
Reserved for law library	-	-	-
Total fund balances	13,690	2,649	-
Total liabilities and fund balances	$ 13,690	$ 2,649	$ -

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

Johnson County, Georgia
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Jail Fund	Drug Fund	Multiple Grant Fund
Revenues:			
Intergovernmental	$ -	$ -	$ -
Fines and forfeitures	18,114	2,045	-
Interest income	-	-	-
Total revenues	18,114	2,045	-
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	278	-
Human services	-	-	-
Intergovernmental	-	-	-
Capital outlay	-	-	-
Total expenditures	-	278	-
Excess of revenues over/ (under) expenditures	18,114	1,767	-
Other financing sources (uses):			
Sale of personal property	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(20,000)	(4,000)	-
Total other financing sources (uses)	(20,000)	(4,000)	-
Excess of revenues and other sources over/(under) expenditures and other (uses)	(1,886)	(2,233)	-
Fund balances, January 1, 2010	15,576	4,882	-
Fund balances, December 31, 2010	$ 13,690	$ 2,649	$ -

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

Johnson County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Assets:			
Cash and cash equivalents	$ 103,137	$ 378	$ 103,515
Accounts receivable	1,906	-	1,906
Total assets	$ 105,043	$ 378	$ 105,421
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 100	$ -	$ 100
Due to other funds	-	-	-
Total liabilities	100	-	100
Fund balances:			
Reserved for rural fire department & emergency management	54,864	-	54,864
Reserved for jail expenditures	13,690	-	13,690
Reserved for drug education	2,649	-	2,649
Reserved for multiple grants	-	-	-
Reserved for law library	33,740	-	33,740
Reserved for capital projects	-	378	378
Total fund balances	104,943	378	105,321
Total liabilities and fund balances	$ 105,043	$ 378	$ 105,421

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

Johnson County, Georgia
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	$ -	$ 50,000	$ 50,000
Fines and forfeitures	25,253	-	25,253
Interest income	-	7	7
Total Revenues	25,253	50,007	75,260
Expenditures:			
Current:			
General government	-	-	-
Public safety	16,275	-	16,275
Capital outlay	-	200,776	200,776
	16,275	200,776	217,051
Excess of revenues/ under expenditures	8,978	(150,769)	(141,791)
Other financing sources (uses) :			
Transfers in	64,398	1,000	65,398
Transfers out	(24,000)	-	(24,000)
Loan proceeds	-	150,000	150,000
Total other financing sources (uses)	40,398	151,000	191,398
Excess of revenues and other sources over/(under) expenditures and other (uses)	49,376	231	49,607
Fund balances, January 1, 2010	55,567	147	55,714
Fund balances, December 31, 2010	$ 104,943	$ 378	$ 105,321

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

Johnson County, Georgia
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2010

	Major Grants	Total Nonmajor Capital Project Funds
ASSETS		
Assets:		
Cash and cash equivalents	$ 378	$ 378
Total assets	378	378
LIABILITIES AND FUND BALANCES		
Liabilities:		
Due to other funds	$ -	$ -
Total liabilities	-	-
Fund balances:		
Reserved for capital projects	378	378
Total fund balances	378	378
Total liabilities and fund balances	$ 378	$ 378

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

Johnson County, Georgia
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended December 31, 2010

	Major Grants	Total Nonmajor Capital Project Funds
Revenues:		
Intergovernmental	$ 50,000	$ 50,000
Interest income	7	7
Total Revenues	50,007	50,007
Expenditures:		
Current:		
General government	-	-
Capital outlay	200,776	200,776
Total expenditures	200,776	200,776
Excess of revenues over/ (under) expenditures	(150,769)	(150,769)
Other financing sources (uses) :		
Transfers in	1,000	1,000
Transfers out	-	-
Loan proceeds	150,000	150,000
Total other financing sources (uses)	151,000	151,000
Excess of revenues and other sources over/(under) expenditures and other (uses)	231	231
Fund balances, January 1, 2010	147	147
Fund balances, December 31, 2010	$ 378	$ 378

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

Law Library Fund	Fire Fee Fund	Total Nonmajor Special Revenue Funds
$ 33,740	$ 54,964	$ 103,137
-	-	1,906
$ 33,740	$ 54,964	$ 105,043
$ -	$ 100	$ 100
-	-	-
-	100	100
-	54,864	54,864
-	-	13,690
-	-	2,649
-	-	-
33,740	-	33,740
33,740	54,864	104,943
$ 33,740	$ 54,964	$ 105,043

Law Library Fund	Fire Fee Fund	Nonmajor Special Revenue Funds
$ -	$ -	$ -
5,094	-	25,253
-	-	-
5,094	-	25,253
-	-	-
6,463	9,534	16,275
-	-	-
-	-	-
-	-	-
6,463	9,534	16,275
(1,369)	(9,534)	8,978
-	-	-
-	64,398	64,398
-	-	(24,000)
-	64,398	40,398
(1,369)	54,864	49,376
35,109	-	55,567
$ 33,740	$ 54,864	$ 104,943

Agency Funds

Clerk of Courts	This agency fund accounts for monies held in trust for the Superior Court prior to disbursement.
Office of Sheriff	This agency fund accounts for drug seizure funds held in a custodial capacity.
Tax Commissioner	This agency fund acts as a clearing account for property taxes, mobile home taxes, motor vehicle taxes, and timber taxes collected by the commissioner.
Probate Court	This agency fund accounts for traffic case fines, probate fees, and marriage license fees.
Magistrate Court	This agency fund accounts primarily for bad check cases and garnishments in a custodial capacity.

Johnson County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
All Agency Funds
December 31, 2010

	Clerk of Courts	Office of Sheriff
ASSETS		
Assets:		
Cash and cash equivalents	$ 35,467	$ 20,226
Taxes receivable	-	-
Total assets	$ 35,467	$ 20,226
LIABILITIES		
Liabilities:		
Due to other governmental units	$ 35,467	$ 20,226
Total liabilities	$ 35,467	$ 20,226

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

Tax Commissioner	Probate Court	Magistrate Court	Total
$ 103,301	$ 1,350	$ 835	$ 161,179
1,240,497	-	-	1,240,497
$ 1,343,798	$ 1,350	$ 835	$ 1,401,676
$ 1,343,798	$ 1,350	$ 835	$ 1,401,676
$ 1,343,798	$ 1,350	$ 835	$ 1,401,676

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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 Board of Commissioners
Johnson County, Georgia

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County as of and for the year ended December 31, 2010, which collectively comprise Johnson County's basic financial statements and have issued our report thereon dated June 1, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Johnson County Public Health Center, which is a component unit, as described in our report on Johnson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other minancing or draws from the general revenues of the County.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Johnson County'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 Johnson County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Johnson County's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Johnson County'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*.

This report is intended solely for the information and use of management, County Commissioners, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Christian, Kelly, Thigpen & Co., L L C

June 1, 2011

Johnson County, Georgia
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal Control over financial reporting:

Material weaknesses identified?	[ ]	Yes	[X]	No
Control deficiency (s) identified not considered to be material weaknesses?	[ ]	Yes	[X]	None reported
Noncompliance material to financial statements notes?	[ ]	Yes	[X]	No

Section II - Financial Statement Findings

None

Special County 1 Percent

Sales and Use Tax

Christian, Kelly, Thigpen & Co., L. L. C.

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

Honorable Board of Commissioners
Johnson County
Georgia

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for Johnson County, Georgia for the year ended December 31, 2010. This schedule is the responsibility of the Johnson County'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 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 basis of accounting used for the SPLOST schedule as described in note 1 and is not intended to be a complete presentation of Johnson County'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 Johnson County's resolution or ordinance calling for the tax for the year ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

Christian, Kelly, Thigpen & Co., L L C

June 1, 2011

Johnson County, Georgia
Schedule of Special Purpose
Local Option Sales Tax
Year Ended December 31, 2010

The special 1% sales and use tax referendum for jail construction and debt repayment began October 1, 2007, and will end September 30, 2013. The referendum for the special purpose local option sales tax for roads, streets and bridges ended September 30, 2007.

For special sales tax proceeds from January 1, 2010, to December 31, 2010:

Project	Original Estimated Costs	Revised Estimated Costs	Expenditures			
			Prior Years	Current Year	Estimated Total	Percentage Completed
Road-capital outlay	$ -	$ 8,207	$ 8,207	$ -	8,207	100%
Road repairs	235,467	1,987,342	1,928,142	59,200	1,987,342	100%
Debt service	-	2,510,153	1,138,948	1,371,205	2,510,153	100%
Construction of new jail	600,000	3,619,468	3,619,468	-	3,619,468	100%
Professional services	1,400	16,315	3,828	12,487	16,315	100%
Supplies	2,250	11,795	11,795	-	11,795	100%
Infrastructure	-	434,938	434,938	-	434,938	100%
Land acquisitions	-	20,944	20,944	-	20,944	100%
Building purchases	-	150,390	150,390	-	150,390	100%
Equipment rental	-	5,250	5,250	-	5,250	100%
Road machinery	6,000	834,691	685,096	149,595	834,691	100%
	$ 845,117	$ 9,599,493	$ 8,007,006	$ 1,592,487	$ 9,599,493	