County of Lamar, Georgia

Financial Statements for the
Fiscal Year Ended December 31, 2011
Independent Auditor's Report

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County of Lamar, Georgia

Annual Financial Report

For the Year Ended December 31, 2011

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Lamar County, Georgia
Statement of Net Assets
Governmental Funds
For the Year Ended December 31, 2011

	Primary Government	Component Units	
		Lamar County	
	Governmental Activities	Board of Health	Regional Solid Waste Authority
ASSETS			
Cash and Cash Equivalents	$ 2,124,011	$ 233,522	$ 924,251
Temporary Cash Investments	-----	-----	-----
Inventory	12,605	-----	-----
Receivables			
Taxes	311,772	-----	-----
Due from Other Governments	250,983	19,355	-----
Accounts	8,819	17,617	196,712
Restricted Cash	-----	-----	261,676
Capital Assets			
Non-Depreciable	2,056,692	-----	2,020,261
Depreciable (Net)	13,463,399	2,797	4,481,103
Restricted Debt Sinking Fund	-----	-----	245,110
Debt Issue Cost, Net of Amortization	-----	-----	79,997
TOTAL ASSETS	$18,228,281	$ 273,291	$ 8,209,110
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 671,041	$ 6,424	$ 75,823
Accrued Liabilities	68,077	-----	4,240
Bonds Payable	-----	-----	230,000
Compensated Absences	-----	11,770	-----
Due to Other Governments	-----	-----	10,400
Non-Current Liabilities			
Bonds Payable	-----	-----	2,220,000
Compensated Absences	87,243	27,359	-----
Net Pension Obligation	3,431	-----	-----
Landfill Postclosure	-----	-----	392,000
TOTAL LIABILITIES	$ 829,792	$ 45,553	$ 2,932,463
NET ASSETS			
Invested in Capital Assets			
Net of Related Debt	$15,520,091	$ 2,797	$ 4,051,364
Restricted For			
Capital Projects	871,071	-----	-----
Prior Year Income	-----	202,647	-----
Special Revenue			
Drug Fund & Law Library	130,521	-----	-----
Unrestricted	876,806	22,294	1,225,283
TOTAL NET ASSETS	$17,398,489	$ 227,738	$ 5,276,647
TOTAL LIABILITIES & NET ASSETS	$18,228,281	$ 273,291	$ 8,209,110

See accompanying notes to the financial statements.

Lamar County, Georgia
Statement of Activities
For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expenses) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Component Units: Lamar County: Board of Health for Year Ended 6/30/11	Component Units: Lamar County: Regional Solid Waste Authority	Component Units: Lamar County: Water & Sewer Authority
Primary Government								
Governmental Activities								
General Government	$ 2,729,041	$ 291,470	$ -----	$ 82,315	$<2,437,571>	$ -----	$ -----	$ -----
Judicial	1,027,071	463,073	-----	-----	< 563,998>	-----	-----	-----
Public Safety	3,699,488	973,653	35,201	44,324	<2,690,634>	-----	-----	-----
Public Works	1,155,888	8,006	-----	397,897	<1,147,882>	-----	-----	-----
Health & Public Service	384,613	-----	43,162	-----	< 341,451>	-----	-----	-----
Culture & Recreation	388,132	103,563	-----	94,980	< 284,569>	-----	-----	-----
Housing & Development	249,310	32,640	-----	-----	< 216,670>	-----	-----	-----
Intergovernmental	967,280	-----	-----	967,280	< 967,280>			
Interest on Long-Term Debt	24,567	-----	-----	-----	< 24,567>	-----	-----	-----
Total Governmental Activities	$10,625,390	$ 1,872,405	$ 78,363	$ 1,586,796	$<8,674,622>	$ -----	$ -----	$ -----
Component Units								
Board of Health	$ 487,723	$ 241,966	$ 247,049	$ -----	$ -----	$ 1,292	$ -----	$ -----
Regional Solid Waste Authority	2,003,347	2,122,128	-----	-----	-----	-----	118,781	-----
Water & Sewer Authority	820,518	575,533	-----	323,256	-----	-----	-----	78,271
Total Component Units	$ 3,311,588	$ 2,939,627	$ 247,049	$ 323,256	$ -----	$ 1,292	$ 118,781	$ 78,271
General Revenues								
Taxes								
Property Taxes					$ 4,631,439	$ -----	$ -----	$ -----
Special Local Option Sales Tax					1,586,796	-----	-----	-----
Local Option Sales Tax					1,041,689	-----	-----	-----
Homeowner Relief Tax					7,017	-----	-----	-----
Insurance Premium Tax					453,777	-----	-----	-----
Other Tax					8,943	-----	-----	-----
Interest and Other					38,098	517	3,435	357
Total General Revenues					$ 7,767,759	$ 517	$ 3,435	$ 357
Change in Assets					$< 906,863>	$ 1,809	$ 122,216	$ 78,628
Net Assets - Beginning of Year					18,305,352	225,929	5,154,431	2,636,949
Prior Period Adjustment					-----	-----	-----	< 35,654>
Net Assets - Beginning of Year Restated					$18,305,352	$ 225,929	$ 5,154,431	$ 2,601,295
Residual Equity Transfer					-----	-----	-----	<2,679,923>
Net Assets - End of Year					$17,398,489	$ 227,738	$ 5,276,647	$ -----

See accompanying notes to the financial statements.

Lamar County, Georgia
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2011

	Major Governmental Funds					
			Capital Projects		Non-Major	
	General Fund	Special Revenue	SPLOST 2005	SPLOST 2011	Governmental Funds	Total
ASSETS						
Cash and Cash Equivalents	$ 879,610	$ 40,974	$ 817,463	$ 255,443	$ 130,521	$ 2,124,011
Temporary Cash Investments	-----	-----	-----	-----	-----	-----
Receivables						
Taxes	155,391	-----	-----	156,381	-----	311,772
Accounts	5,433	3,386	-----	-----	-----	8,819
Governments	197,375	-----	53,608	-----	-----	250,983
Due from Other Funds	210,148	-----	-----	-----	-----	210,148
Inventory	12,605	-----	-----	-----	-----	12,605
TOTAL ASSETS	$ 1,460,562	$ 44,360	$ 871,071	$ 411,824	$ 130,521	$ 2,918,338
LIABILITIES						
Accounts Payable	$ 259,217	$ -----	$ -----	$ 411,824	$ -----	$ 671,041
Accrued Liabilities	68,077	-----	-----	-----	-----	68,077
Due to Other Funds	-----	210,148	-----	-----	-----	210,148
TOTAL LIABILITIES	$ 327,294	$ 210,148	$ -----	$ 411,824	$ -----	$ 949,266
FUND BALANCE						
Restricted for:						
Law Enforcement and Books	$ -----	$ -----	$ -----	$ -----	$ 130,521	$ 130,521
Capital Projects	-----	-----	871,071	-----	-----	871,071
Assigned						
General Fund						
Jail Construction	37,910	-----	-----	-----	-----	37,910
Unassigned						
General Fund	1,095,358	-----	-----	-----	-----	1,095,358
Special Revenue - E911	-----	< 165,788>	-----	-----	-----	< 165,788>
TOTAL FUND BALANCE	$ 1,133,268	$< 165,788>	$ 871,071	$ -----	$ 130,521	$ 1,969,072
TOTAL LIABILITIES AND FUND BALANCE	$ 1,460,562	$ 44,360	$ 871,071	$ 411,824	$ 130,521	$ 2,918,338

Amounts reported for Governmental Activities in the Statement of Net Assets are different because:	$ 1,969,072
Capital Assets are used in Governmental Activities, are not financial resources and, therefore, are not reported in the funds.	15,520,091
The General Long-Term Debt, which consists of compensated absences, is included in the Statement of Net Assets.	< 87,243>
The General Long-Term Liabilities, which consists of Net Pension Obligation, is included in the Statement of Net Assets.	< 3,431>
	$17,398,489

See accompanying notes to the financial statements.

Lamar County, Georgia
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2011

	Major Funds				Non-Major Funds	
			Capital Projects			
	General Fund	Special Revenue E911	SPLOST 2005	SPLOST 2011	Other Governmental Funds	Total
REVENUES						
Taxes	$ 6,135,848	$ -----	$ 1,174,973	$ 411,823	$ -----	$ 7,722,644
Licenses, Permits and Fees	289,841	-----	-----	-----	-----	289,841
Intergovernmental Revenues	85,380	-----	-----	-----	-----	85,380
Charges for Services	716,788	179,679	-----	-----	195,270	1,091,737
Fines and Forfeitures	490,827	-----	-----	-----	-----	490,827
Investment Income	523	165	-----	-----	132	820
Miscellaneous Revenues	37,278	-----	-----	-----	-----	37,278
TOTAL REVENUES	$ 7,756,485	$ 179,844	$ 1,174,973	$ 411,823	$ 195,402	$ 9,718,527
EXPENDITURES						
Current Expenditures						
General Government	$ 2,295,595	$ 176,402	$ -----	$ -----	$ 170,869	$ 2,642,866
Judicial	1,017,071	-----	-----	-----	-----	1,017,071
Public Safety	3,303,042	-----	-----	-----	-----	3,303,042
Public Works	760,211	-----	-----	-----	-----	760,211
Health and Public Services	319,613	-----	-----	-----	-----	319,613
Culture and Recreation	320,468	-----	-----	-----	-----	320,468
Housing and Development	247,310	-----	-----	-----	-----	247,310
Intergovernmental Expenditures						
Cities	-----	-----	555,457	411,823	-----	967,280
Capital Outlay	10,518	-----	241,263	-----	166,429	418,210
Debt Service						
Principle	-----	-----	-----	-----	-----	-----
Interest	24,567	-----	-----	-----	-----	24,567
TOTAL EXPENDITURES	$ 8,298,395	$ 176,402	$ 796,720	$ 411,823	$ 337,298	$10,020,638
Excess (Deficiency) of Revenues Over (Under) Expenditures	$< 541,910>	$ 3,442	$ 378,253	$ -----	$< 141,896>	$< 302,111>
OTHER SOURCES (USES)						
Transfer In/(Out)	$ -----	$ -----	$ -----	$ -----	$ -----	$ -----
TOTAL OTHER SOURCES (USES)	$ -----	$ -----	$ -----	$ -----	$ -----	$ -----
Net Change in Fund Balance	$< 541,910>	$ 3,442	$ 378,253	$ -----	$< 141,896>	$< 302,111>
Fund Balance - Beginning of Year	1,675,178	< 169,230>	492,819	-----	272,417	2,271,184
Fund Balance - End of Year	$ 1,133,268	$< 165,788>	$ 871,072	$ -----	$ 130,521	$ 1,969,073

See accompanying notes to the financial statements.

Lamar 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, 2011

Adjustments to the Statements of Activities		
Net Change in Fund Balances – Total Governmental Funds		$< 302,111>
Governmental Funds report capital outlays as expenditure. However, in this statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay	$ 418,210	
Depreciation Expense	1,034,927	< 616,717>
The long-term portion of accrued vacation is recognized in the statement of activities, whereas in the governmental funds, the long-term portion is not included. This amount represents the change in the long-term portion for the current year.		15,396
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in Governmental Funds.		
Net Pension Obligation		< 3,431>
Changes in net assets of governmental activities		$< 906,863>

See accompanying notes to the financial statements.

Lamar County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
For the Year Ended December 31, 2011

	Agency Funds
ASSETS	
Cash	$ 468,602
Other Receivables	-----
TOTAL ASSETS	$ 468,602
LIABILITIES	
Other Liabilities	$ 468,602
TOTAL LIABILITIES	$ 468,602

See accompanying notes to the financial statements.

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American Institute of
Certified Public Accountants

Report of Independent Certified Public Accountants

Honorable Chairman and
Members of the Commissioners
Lamar County, Georgia

We have audited the accompanying financial statements of the governmental activities, , the discretely presented component opinion units, each major fund, and the aggregate remaining fund information of the County of Lamar, Georgia (the "County"), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Lamar's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lamar County Department of Public Health, Lamar County Solid Waste Authority, and the Lamar County Water and Sewer Authority which represents 100 percent of the assets and 80 percent of the revenues of the component unit columns. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lamar County Department of Public Health, and Lamar County Solid Waste Authority are 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 estimates made by management, as well evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component opinion units, each major fund, and the aggregate remaining fund information of the County of Lamar, Georgia as of December 31, 2011 and the respective changes in financial position, 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 June 19, 2012 on our consideration of the County of Lamar's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other maters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with 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 accompanying required supplementary information, such as management's discussion and analysis and the budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Lamar's basic financial statements. The combining and individual fund statements and schedules 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, including the SPLOST schedule, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements as a whole.

J. Robyn Underwood, CPA
Barnesville, Georgia
June 19, 2012

The County of Lamar, Georgia (the "County"), which was founded in 1921, has a population of 16,000 plus living within an area of 185.8 square miles. The County is a Georgia municipal corporation and operates under County Administrator/ Chairman and Commissioner Form of government.

The County of Lamar, Georgia provides the following services:

Public Safety
Roads
Public Improvements
Planning and Zoning
Courts
Tax Assessment and Collection
Health and Social Services
Culture – Recreation
General Administrative Services

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, and component units and other organizations that are included to ensure that the financial statements are not misleading.

The component unit is a legally separate organization 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; (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; the County is obligated for the debt of the organization.

The discretely presented component unit generally is reported only at the government-wide financial reporting level.

The component unit columns included on the government-wide financial statements identifies 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.

The following component units are discretely presented in the reporting entity:

Discretely Presented Component Units	Brief Description of Activities and Relationship to the County
Lamar County Department of Public Health	Provide medical services and health education to the citizens of Lamar County. The County Board of Commissioners has the authority to modify and approve the Department of Public Health budget. Financial Statements can be obtained at Academy Drive, Barnesville, Georgia.
Lamar County Regional Solid Waste Authority	Provide residents and surrounding areas with disposal service of residential and commercial solid waste. Financial Statements can be obtained at 172 Roger Brown Drive, Barnesville, Georgia.
Lamar County Water & Sewer Authority	Develop infrastructure necessary to provide water service to the unincorporated areas of Lamar County. Financial Statements can be obtained at 109 Forsyth Street, Barnesville, Georgia. The assets and liabilities were assumed by the City of Barnesville on December 28, 2011 and operations ceased as of this date.

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 a statement of net assets and a 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. Individual funds are not displayed at this reporting level, but the statements distinguish governmental activities, generally supported by taxes and County 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.

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 related to 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.

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

Fund Financial Statements – During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental and fiduciary funds.

Major individual governmental funds are reported in separate columns with composite columns for non-major funds. The fiduciary funds are reported by type.

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 two categories of funds: governmental and fiduciary.

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

> ***General Fund*** – Major Fund - The general fund accounts for all financial resources except those required to be accounted for in other funds. 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.
>
> ***Special Revenue Fund*** – Major Fund – The fund accounts for all financial resources of the Emergency 911 fund.
>
> ***Capital Projects Fund*** – Major Fund – The fund accounts for all financial resources of Special Purpose Sales Tax revenue for 2005 and 2011. Also the funds expend resources for the approved capital projects.

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise funds.

> ***Lamar County Solid Waste and Lamar County Water and Sewer Authority*** – Component Units – These funds are used to account for the operations of the County's sanitation and water systems.

Fiduciary Funds – Fiduciary fund reporting focuses on assets held in a custodial manner.

> ***Agency Funds –***Tax Commissioner, Magistrate Court, Probate Court, Sheriff's Office, and Clerk of Superior Court These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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, including depreciation.

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

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, 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 on 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 soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within twelve months of year-end.

Revenues – Non-exchange Transactions – Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales 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 and on the modified accrual basis, it is recognized in the year received (i.e., when considered available). Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 4-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, interest and federal and state grants.

Deferred 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) are recorded as deferred 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. Expenditure recognition for prepaids in governmental funds is recognized during the benefiting periods.

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

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

1-E-2. Receivables

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

1-E-3. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the government-wide 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-our basis and are expensed when used (i.e., the consumption method).

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

1-E-5. 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 governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the enterprise funds' statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of two thousand five hundred dollars. The County's infrastructure consists of roads, bridges and water and sewer lines. Improvements (i.e., betterments) 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 funds is capitalized. Infrastructures acquired prior to implementation of statement 34 are reported.

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:

Description	Governmental Activities Estimated Lives	Component Unit Estimated Lives
Land Improvements	20 - 50 years	20 - 50 years
Buildings and Plant	20 - 50 years	20 - 50 years
Machinery and Equipment	5 - 10 years	5 - 10 years
Vehicles	5 - 10 years	5 - 10 years
Infrastructure	40 - 50 years	40 - 50 years

1-E-6. Compensated Absences

Vacation and sick leave benefits due at termination have been accrued. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and fund liability of the liable fund.

1-E-7. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds.

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

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

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

1-E-9. Fund Equity

The County implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as of January 1, 2010. This new standard changed the overall definitions and classifications of governmental fund balances.

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commissioners through the adoption of a resolution. Only the County Commissioners may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commissioners have authorized the County's Administrator to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

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

1-E-10. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services of the enterprise component units. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each program.

1-E-11. Non-Operating Revenues and Expenses

Non-operating revenues are those revenues not generated directly from the primary activity of the proprietary funds. For the County, these revenues are interest revenues generated from cash holdings of the component units. Non-operating expenses are not considered necessary costs incurred to provide the good or service related to the primary activity of each program.

1-E-12. 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-13. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from fund 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-14. 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-15. 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 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, each special revenue fund and debt service fund. A project budget is adopted for each projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental funds' budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenditures. Enterprise fund budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenses.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

- The County Administrator may transfer funds from one object or purpose to another within the same department
- The Board of Commissioners may amend the budget by motion during the fiscal year.
- Appropriations must equal the anticipated funding sources of each fund.
- Actual expenditures of each fund may not exceed actual funding sources.

Formal budgetary integration is employed as management control device during the year for all budgeted funds.

2-B. Excess of Expenditures over Appropriations

The following funds reported expenditures/expenses over appropriations:

Fund	Appropriation	Encumbrances/ Expenditures	Over-Appropriation
General Fund			
Judicial	$ 946,605	$ 1,017,071	$ 70,466
Public Safety	2,925,369	3,303,042	377,673
Capital Outlay	7,000	10,518	3,518
Debt Service	16,000	24,567	8,567
Special Revenue			
Salaries and Benefits	65,000	95,644	30,644

Note 3 – Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – The bank balance is classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by the County or by its agent in its name, 2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the County's name, and 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging institution's trust department or agent but not in the County's name. The Georgia Fund One is sponsored by the State of Georgia (Oversight Agency) for the investment of local government funds. The County does not have any investments in the Georgia Fund One.

The County's deposits are classified as follows at December 31, 2011:

(in thousands of dollars)	Category 1	Category 2	Category 3	Bank Balance	Carrying Amount
Primary Government (including agencies)	$ 500	$ -----	$ 1,638	$ 2,138	$ 2,124
Component Unit:					
Lamar County Department of Public Health	$ 234	$ -----	$ -----	$ 234	$ 234
Lamar County Solid Waste Authority	500	1,000	-----	1,500	1,431
Lamar County Water and Sewer Authority	-----	-----	-----	-----	-----
Total Component Units	$ 734	$ 1,000	$ -----	$ 1,734	$ 1,665

Custodial Credit Risk – Deposits – Primary Government – The County has deposits that are not completely collateralized within the meaning of the pledged securities held has collateral are not in the County's name. Category 3 balances are acceptable under Georgia Law. The credit risks of the County could face with uncollateralized deposits are critical financial stress on the depositor financial institution or theft on uncollateralized deposits. The County has not adopted a credit risk policy.

Cash and Cash Equivalents Reconciliation:

	Primary Government
Fund Reporting Level:	
Governmental Funds – Balance Sheet	$ 2,124,011
Fiduciary Fund – Balance Sheet	1,664,559
Total Carrying Amount	$ 3,788,570

Investments – Primary Government – Investments of the County are categorized below to give an indication of the level of risk assumed by the County at year-end. Category 1 includes investments that are insured or registered or for which the County's agent in the County's name holds the securities. Category 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the County's name holds the securities. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the County's name.

The State statutes, county bond ordinances and county resolutions authorize the County's investments. The county is authorized to invest in U.S Government obligations and its agencies or instrumentalities, collateralized mortgage obligations directly issued by federal agency or instrumentality, and insured or collateralized certificates of deposit.

3-B. Receivables

Receivables at December 31, 2011, consisted of taxes, fines, and accounts (billings for user charges). 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.

As of December 31, 2011, Government Receivables consist of inmate housing due from other counties, local option sales tax due from the State of Georgia and Franchise tax due.

3-C. Property Taxes

Normally, property tax levies are set by the County Commissioners in August of each year for collection in the following fiscal year beginning January 1. Lamar County spreads all levies over assessable property. Taxes are levied annually by the County and for the year ended December 31, 2011, the levy occurred on October 3, 2011. Real and personal property taxes were due on November 28, 2011. Property taxes receivable become a lien on February 29, 2012.

3-D. Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

(in thousands of dollars)	Balance 01/01/11	Additions	Deletions	Balance 12/31/11
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 1,854	$ -----	$ -----	$ 1,854
CIP - Fire Station	161	42	-----	203
Total Assets not being Depreciated	$ 2,015	$ 42	$ -----	$ 2,057
Depreciable Capital Assets:				
Buildings and Improvements	$ 14,221	$ 76	$ -----	$ 14,297
Machinery and Equipment	3,534	170	-----	3,704
Vehicles	2,296	88	-----	2,384
Roads and Bridges	48,892	42	-----	48,934
Total Depreciable Capital Assets	$ 68,943	$ 376	$ -----	$ 69,319
Total Non and Depreciable Capital Assets	$ 70,958	$ 418	$ -----	$ 71,376
Accumulated Depreciation				
Buildings and Improvements	$ 5,356	$ 250	$ -----	$ 5,606
Machinery and Equipment	3,189	408	-----	3,597
Vehicles	1,795	167	-----	1,962
Roads and Bridges	44,481	210	-----	44,691
Total Accumulated Depreciation	$ 54,821	$ 1,035	$ -----	$ 55,856
Governmental Activities Capital Assets, Net	$ 16,137	$< 617>	$ -----	$ 15,520
Governmental Activities Depreciation Expense:				
General Government		$ 98		
Judicial		10		
Public Safety		397		
Public Works		395		
Health and Welfare		65		
Culture and Recreation		68		
Housing and Development		2		
Total Governmental Activities Depreciation Expense		$ 1,035		

	Balance 01/01/11	Additions	Deletions	Balance 12/31/11
Component Units				
Capital Assets Not Depreciated				
Lamar County Water and Sewer Authority				
Land	$ 100	$ -----	$ 100	$ -----
Construction in Progress	2,026*	857	2,883	-----
Lamar County Solid Waste Authority				
Land	1,775	-----	-----	1,775
Construction in Progress	925	282	-----	1,207
Total Non Depreciated Assets	$ 4,826	$ 1,139	$ 2,983	$ 2,982
Lamar County Solid Waste Authority				
Depreciable Capital Assets (Equipment and station)	$ 7,428	$ 122	$ -----	$ 7,550
Less Accumulated Depreciation	< 3,841>	< 190>	-----	< 4,031>
Lamar County Department of Public Health				
Depreciable Capital Assets (Equipment)	94	3	-----	97
Less Accumulated Depreciation	< 90>	< 4>	-----	< 94>
Lamar County Water and Sewer Authority				
Depreciable Capital Assets (Infrastructure)	9,396	295	9,691	-----
Less Accumulated Depreciation	< 1,306>	< 248>	< 1,554>	-----
Component Unit Capital Assets, Net	$ 16,507	$ 1,117	$ 11,120	$ 6,504

**Restated for prior period adjustment of $634,804 additional construction in progress.*

3-E. Interfund Balances and Transfers

Interfund balances at December 31, 2011, consisted of the following amounts. The interfund balances are not expected to be paid in one year from the date of the financial statements and have existed for more than one year and the original purpose of the interfund balances were to finance capital acquisitions in other funds.

Payable To	Payable From	Amount
General Fund	Special Revenue E-911	$ 210,148

Interfund transfers for the year ended December 31, 2011, consisted of the following: None.

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and to return money to the fund from which it was originally provided, once a project is completed.

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

3-F. Obligations under Bonds Payable

The following is a summary of bond transactions of the Lamar County Regional Solid Waste Authority for the year ended December 31, 2011:

Name	Interest Rate	Balance Beginning of Year	Additions (Reductions) Indebtedness	Balance End of Year
*Series A Bonds	.875% - 3.85%	$ -----	$ 1,800,000	$ 1,800,000
**Series B Bonds	1.0% - 4.0%	$ -----	$ 650,000	$ 650,000

The annual principal maturities of the debt during the year following 2011:

Year	Series A	Interest	Series B	Interest
2012	$ 170,000	$ 44,529	$ 60,000	$ 17,078
2013	165,000	42,754	60,000	16,358
2014	170,000	40,363	60,000	15,413
2015	170,000	37,260	60,000	14,228
2016	175,000	33,461	65,000	12,755
2017-2021	950,000	102,945	345,000	39,357
	$ 1,800,000	$ 301,312	$ 650,000	$ 115,189

Interest expense on the above bond was $0 for the current year.

3-G. Obligations under Capital Leases

Capital Leases and Notes Payable- Component Units

Lamar County Regional Solid Waste Authority (Enterprise Fund)

Lender	Balance Beginning of Year	Addition	Deletion	Balance End of Year	Amount Due in One Year
GEFA	$ 1,157,403	$ -----	$<1,157,403>	$ -----	$ -----
John Deere	41,555	-----	< 41,555>	-----	-----
Leasing 2, Inc.	179,082	-----	< 179,082>	-----	-----
Bonds Payable	-----	2,450,000	-----	2,450,000	230,000
	$ 1,378,040	$ 2,450,000	$<1,378,040>	$ 2,450,000	$ 230,000

Lamar County Regional Solid Waste Authority (Enterprise Fund)

	Balance Beginning Of Year	Increase	Decrease	Balance End Of Year	Amount Due in One Year
GEFA Note	$ 4,199,829*	$ 516,320	$ 4,716,149	$ -----	$ -----
GEFA Note	735,724	-----	735,724	-----	-----
USDA Note	2,901,797	-----	2,901,797	-----	-----
	$ 7,837,350	$ 516,320	$ 8,353,670	$ -----	$ -----

**Restated for prior period adjustment of $670,458 additional debt not previously disclosed.*

Interest on the above debt was $131,571 for 2011 and has been expensed in the financial statements.

	Balance Beginning Of Year	Increase	Decrease	Balance End Of Year
Lamar County Solid Waste Authority Landfill Postclosure	$ 411,600	$ -----	$ 19,600	$ 392,000

3-H. Compensated Absences-Long-Term Debt

The annual changes to general long-term debt compensated absences as of December 31, 2011 are as follows:

Primary Government

Compensated absences at January 1, 2010	$ 102,639
Decrease	15,396
Compensated absences at December 31, 2011	$ 87,243

The compensated absence liability is to be liquidated by using the General Fund of the County.

Component Unit

Lamar County Department of Public Health:	
Compensated absences at July 1, 2010	$ 39,611
Decrease	< 482>
Compensated absences at June 30, 2011	$ 39,129

The compensated absence liability is to be liquidated by using the General Fund of the Health Department.

3-I. Equity

Net Assets – Net assets on the government-wide statement of net assets as of December 31, 2011 are as follows:

(in thousands of dollars)

Invested in capital assets, net of related debt:	Governmental Activities
Cost of Capital Assets	$ 71,375
Less Accumulated Depreciation	< 55,855>
Book Value	15,520
Less Capital Related Debt	-----
Invested in capital assets, net of related debt	$ 15,520

Fund Balances – Fund balance assignments at the fund reporting level as of December 31, 2011 are as follows:

Assigned Fund Balances:

Nature and Purpose of Assignments	
For Jail Construction and Improvements	$ 37,910

3-J. Pensions

ACCG Plan

Plan Description – On September 19, 1977, the County passed an ordinance whereby it adopted a defined benefit pension plan that covers officials and employees with one or more years of service. The plan benefit provisions are established and may be amended under the authority of the County of Lamar's Commission. The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Contribution Plan 401(a), and administered by Government Employee Benefits Corporation of Georgia (GEB Corp), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for counties in the State of Georgia**.** GEB Corp. provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. GEB Corp. issues a publicly available financial report that includes financial statements and required supplementary information for the County. The report may be obtained by writing to:

GEB Corp
1100 Circle 75 Parkway
Atlanta, Ga 30339

As of January 1, 2011, the date of the most recent actuarial valuation, there were 172 participants consisting of the following:

Retirees and Beneficiaries currently receiving benefits	24
Vested Terminated Employees not yet receiving benefits	59
Active Employees	89
	172

Funding Policy – County employees are not required to contribute to GEB Corp. The County is required to contribute 100% of the amounts necessary to fund the System using the actuarial basis specified by statute. The current contribution rate is 8.7% of annual covered payroll. The contribution requirements of plan members are established and may be amended by the ACCG Board of Trustees. The County's contributions to ACCG for the years ended December 31, 2011, 2010, and 2009 were $232,491, $184,956, and $167,913 respectively. The required contributions for each year, 2011, 2010, and 2009 were $232,491, $184,956, and $167,913 respectively.

Annual Pension Cost – For December 31, 2011, the County's annual pension cost of $232,491 for ACCG was equal to the County's required and actual contributions. The required contribution was determined as part of the January 1, 2011, actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases of 5.0%-7.5% per year, and (d) 3.00% per year for inflation. The actuarial value of ACCG assets was determined using techniques that smooth the effects of short-term volatility in the market of value of investments over a four-year period. ACCG' unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis of 30 years, beginning January 1, 1990. The remaining amortization period at December 31, 2011 was 10 years.

(Amounts Expressed in Thousands)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL/(UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3)/(5)
12/31/2009	$ 2,430	$ 2,801	$ 371	86.7%	$ 1,847	20.1%
12/31/2010	2,599	3,104	505	83.7%	2,305	21.9%
12/31/2011	2,780	3,364	584	82.6%	2,733	21.4%

Schedule of Employer Contributions

Year Ended 12/31	Annual Required Contribution	Percentage Contributed	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2009	$ 167	100%	$ 167	100%	-----
2010	185	100%	188	98%	3
2011	232	100%	232	100%	3

The County's actuarially determined contribution, pension cost and increase in net pension obligation (asset) for the year ended December 31, 2011 is as follows:

Annual Required Contribution	$ 232,428
Interest on Net Pension Obligation	63
Adjustment to Annual Required Contribution	-----
Annual Pension Cost	$ 232,491
Contributions Made	232,491
Increase in Net Pension Obligation	$ -----
Net Pension Obligation – Beginning of Year	3,431
Net Pension Obligation – End of Year	$ 3,431

3-K. Other Required Individual Fund Disclosures

The Non-Major Special Revenue Fund, Drug Seizure, sustained a deficit of $144,891. The Drug Seizure Fund has $111,225 surplus funds to offset future deficits.

Deficit fund balances or net asset balances of individual funds: Special Revenue Fund – E911 at December 31, 2011 in the amount of $165,788.

Note 4 – Other Notes

4-A. Closure and Post-closure Care Requirements

GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs", requires certain disclosures be reported relating to the Closure and Post-closure Care.

The Current Estimated Cost of Closure	$ -----
The Current Estimated Cost of Post-closure	392,000
Total Estimated Cost of Closure	$ 392,000

The estimated cost of closure and postclosure are based on the landfill capacity used to date. The landfill capacity used to date is approximately twelve percent of projected Site Life. The postclosure expenses are for the postclosure of Phase I Landfill, which is permit number 085-004D(SL). The Phase II Landfill, which is permit number 085-007D(NSWL), is the liability of Lamar County, Georgia.

The source of the estimate cost of closure and postclosure care requirements are regulated by the Environmental Protection division of The Environmental Protection Agency. The nature of the closure and postclosure consists of final cover, seeding, grassing, silt pond clean out, fencing, ground water sampling, well monitoring, laboratory analysis, and inspections. The estimated cost of closure and post-closure decreased due a reduction by one year in the post-closure care obligations. Requirements for closure costs for Phase I as of December 31, 2011 have been met and the postclosure requirement are being fulfilled.

The above amounts are estimates and there is potential for change due to inflation and deflation, technology, or applicable laws or regulations.

4-B. Risk Management

Risk Pool
The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The County participates in public entity risk pools (GSIWCF and IRMA) covering each of the above risks of loss.
There were no significant reductions of insurance coverage in the prior year. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the County. Settled claims in the past three years have not exceeded the coverage.

The County has elected to be a member of the Association County Commissioners of Georgia Group Self Insurance Workers' Compensation Fund (GSIWCF) and the Interlocal Risk Management Association (IRMA), self-insurance risk pools created under Georgia law. As a participant in the GSIWCF and IRMA, the County has no legal obligation to pay its own workers' compensation or property and liability claims. The County is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the County's annual contribution, the County has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the GSIWCF and IRMA permits the funds to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. Since excess insurance is purchased by the GSIWCF and IRMA to protect the fund from catastrophic losses, no amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

4-C. 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.

Any pending lawsuits at December 31, 2011 are covered by insurance and should not materially affect the financial statements of Lamar County, Georgia.

4-D. Joint Venture
Under Georgia law, the County, in conjunction with other municipalities and counties in the five county Central Georgia area, is a member of the McIntosh Trail Regional Development (RDC). Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes representation from each county and municipality of the area, as well as representatives from the private sector and other governmental entities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements for the RDC are available from:

McIntosh Trail Regional Development
Hill Street
Griffin, GA 30223

Lamar County, Georgia
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2011

	General Fund		
	Original & Final Budget	Actual	Variance
REVENUES			
Taxes	$ 5,476,395	$ 6,135,848	$ 659,453
Licenses, Permits and Fees	882,097	289,841	< 592,256>
Intergovernmental Revenues	72,824	85,380	12,556
Charges for Services	917,455	716,788	< 200,667>
Fines and Forfeitures	672,599	490,827	< 181,772>
Investment Income	50	523	473
Miscellaneous Revenues	8,800	37,278	28,478
TOTAL REVENUES	$ 8,030,220	$ 7,756,485	$< 273,735>
EXPENDITURES			
Current Operations			
General Government	$ 2,395,764	$ 2,295,595	$ 100,169
Judicial	946,605	1,017,071	< 70,466>
Public Safety	2,925,369	3,303,042	< 377,673>
Public Works	765,744	760,211	5,533
Health and Public Services	320,393	319,613	780
Culture and Recreation	379,228	320,468	58,760
Housing and Development	274,117	247,310	26,807
Capital Outlay	7,000	10,518	< 3,518>
Debt Service	16,000	24,567	< 8,567>
TOTAL EXPENDITURES	$ 8,030,220	$ 8,298,395	$< 268,175>
Excess Revenues Over (Under) Expenditures	$ -----	$< 541,910>	$< 541,910>
OTHER SOURCES/(USES)			
Transfer In	$ -----	$ -----	$ -----
TOTAL OTHER SOURCES/(USES)	$ -----	$ -----	$ -----
Net Change in Fund Balance	$ -----	$< 541,910>	$< 541,910>
FUND BALANCE – Beginning of Year	-----	1,675,178	-----
FUND BALANCE – End of Year	$ -----	$ 1,133,268	$ -----

Lamar County, Georgia
Special Revenue – Major Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2011

	E-911 Fund		
	Original & Final Budget	Actual	Variance
REVENUES			
E-911 Fees	$ 158,000	$ 179,679	$ 21,679
Interest Income	-----	165	165
TOTAL REVENUES	$ 158,000	$ 179,844	$ 21,844
EXPENDITURES			
Current Operations			
BellSouth Service	$ 93,000	$ 80,758	$ 12,242
Salaries and Benefits	65,000	95,644	< 30,644>
TOTAL EXPENDITURES	$ 158,000	$ 176,402	$< 18,402>
Excess Revenues Over (Under) Expenditures	$ -----	$ 3,442	$ 3,442
FUND BALANCE – Beginning of Year	$ -----	$< 169,230>	$< 169,230>
FUND BALANCE – End of Year	$ -----	$< 165,788>	$< 165,788>

Lamar County, Georgia
Capital Projects Fund – Major Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2011

	SPLOST 2005		
	Original & Final Budget	Actual	Variance
REVENUES			
Taxes	$ 1,100,000	$ 1,174,973	$ 74,973
TOTAL REVENUES	$ 1,100,000	$ 1,174,973	$ 74,973
EXPENDITURES			
Intergovernmental	$ 600,000	$ 555,457	$ 44,543
Capital Outlay			
Current Operations	500,000	241,263	258,737
TOTAL EXPENDITURES	$ 1,100,000	$ 796,720	$ 303,280
Excess Revenues Over (Under) Expenditures	$ -----	$ 378,253	$ 378,253
OTHER SOURCES/(USES)			
Transfer In/Out	$ -----	$ -----	$ -----
TOTAL OTHER SOURCES/(USES)	$ -----	$ -----	$ -----
Excess Revenue and Other Sources Over/(Under) Expenditures and Other(Uses)	$ -----	$ 378,253	$ 378,253
FUND BALANCE – Beginning of Year	-----	492,819	492,819
FUND BALANCE – End of Year	$ -----	$ 871,072	$ 871,072

Lamar County, Georgia
Capital Projects Fund – Major Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2011

	SPLOST 2011		
	Original & Final Budget	Actual	Variance
REVENUES			
Taxes	$ 9,564,519	$ 411,823	$<9,152,696>
TOTAL REVENUES	$ 9,564,519	$ 411,823	$<9,152,696>
EXPENDITURES			
Intergovernmental	$ 4,208,388	$ 411,823	$ 3,796,565
Capital Outlay			
Current Operations	5,356,131	-----	5,356,131
TOTAL EXPENDITURES	$ 9,564,519	$ 411,823	$ 9,152,696
Excess Revenues Over (Under) Expenditures	$ -----	$ -----	$ -----
OTHER SOURCES/(USES)			
Transfer In/Out	$ -----	$ -----	$ -----
TOTAL OTHER SOURCES/(USES)	$ -----	$ -----	$ -----
Excess Revenue and Other Sources Over/(Under) Expenditures and Other(Uses)	$ -----	$ -----	$ -----
FUND BALANCE – Beginning of Year	-----	-----	-----
FUND BALANCE – End of Year	$ -----	$ -----	$ -----

Lamar County, Georgia
Schedule of Expenditures – General Fund
Budget and Actual
For the Year Ended December 31, 2011

	Governmental Fund Types		
	General Fund		
	Budget	Actual	Variance
CURRENT OPERATIONS			
General Government			
Board of Commissioners			
Personal Services	$ 218,342	$ 178,764	$ 39,578
Operating Services*	135,468	112,486	22,982
	$ 353,810	$ 291,250	$ 62,560
Tax Commissioners			
Personal Services	$ 152,383	$ 151,970	$ 413
Operating Services	37,877	27,489	10,388
	$ 190,260	$ 179,459	$ 10,801
Tax Assessors			
Personal Services	$ 153,537	$ 140,396	$ 13,141
Operating Services	53,926	43,837	10,089
	$ 207,463	$ 184,233	$ 23,230
Board of Elections			
Personal Services	$ 46,556	$ 41,624	$ 4,932
Operating Services	50,870	32,195	18,675
	$ 97,426	$ 73,819	$ 23,607
Courthouse Building			
Personal Services	$ 63,711	$ 62,051	$ 1,660
Operating Services	44,965	38,717	6,248
	$ 108,676	$ 100,768	$ 7,908
Courthouse Annex			
Personal Services	$ -----	$ -----	$ -----
Operating Services	11,652	12,016	< 364>
	$ 11,652	$ 12,016	$< 364>
Employees Benefits and Insurance			
Personal Services	$ -----	$ -----	$ -----
Operating Services	1,223,376	1,266,368	< 42,992>
	$ 1,223,376	$ 1,266,368	$< 42,992>
Administrative Building			
Personal Services	$ -----	$ -----	$ -----
Operating Services	27,699	32,488	< 4,789>
	$ 27,699	$ 32,488	$< 4,789>
Risk Management			
Personal Services	$ 175,402	$ 585	$< 585>
Operating Services	-----	154,609	20,793
	$ 175,402	$ 155,194	$ 20,208
Total General Government	$ 2,395,764	$ 2,295,595	$ 100,169

**Includes RDC dues of $10,849.*

Lamar County, Georgia
Schedule of Expenditures – General Fund
Budget and Actual
For the Year Ended December 31, 2011

	Governmental Fund Types		
	General Fund		
	Budget	Actual	Variance
Judicial			
Clerk of Courts			
Personal Services	$ 244,645	$ 241,435	$ 3,210
Operating Services	56,680	45,728	10,952
	$ 301,325	$ 287,163	$ 14,162
Superior Court			
Personal Services	$ -----	$ -----	$ -----
Operating Services	336,855	433,928	< 97,073>
	$ 336,855	$ 433,928	$< 97,073>
Probate Court			
Personal Services	$ 146,749	$ 145,238	$ 1,511
Operating Services	16,020	11,719	4,301
	$ 162,769	$ 156,957	$ 5,812
District Attorney			
Personal Services	$ 18,000	$ 16,500	$ 1,500
Operating Services	-----	-----	-----
	$ 18,000	$ 16,500	$ 1,500
Magistrate Court			
Personal Services	$ 114,056	$ 108,907	$ 5,149
Operating Services	13,600	13,616	< 16>
	$ 127,656	$ 122,523	$ 5,133
Total Judicial	$ 946,605	$ 1,017,071	$< 70,466>

Lamar County, Georgia
Schedule of Expenditures – General Fund
Budget and Actual
For the Year Ended December 31, 2011

	Governmental Fund Types		
	General Fund		
	Budget	Actual	Variance
Public Safety			
Sheriff's Office			
Personal Services	$ 1,143,632	$ 978,900	$ 164,732
Operating Services	178,000	236,327	< 58,327>
	$ 1,321,632	$ 1,215,227	$ 106,405
Prisoner Support			
Personal Services	$ 633,200	$ 747,476	$< 114,276>
Operating Services	187,800	311,080	< 123,280>
	$ 821,000	$ 1,058,556	$< 237,556>
Coroner			
Personal Services	$ 3,599	$ 3,599	$ -----
Operating Services	5,570	6,907	< 1,337>
	$ 9,169	$ 10,506	$< 1,337>
Emergency Management			
Personal Services	$ 28,084	$ 26,706	$ 1,378
Operating Services	4,750	214,044	< 209,294>
	$ 32,834	$ 240,750	$< 207,916>
Ambulance Services			
Personal Services	$ -----	$ -----	$ -----
Operating Services	355,008	355,008	-----
	$ 355,008	$ 355,008	$ -----
Fire Department			
Personal Services	$ 154,156	$ 144,512	$ 9,644
Operating Services	53,000	58,559	< 5,559>
	$ 207,156	$ 203,071	$ 4,085
Ambulance and Fire Building			
Personal Services	$ -----	$ -----	$ -----
Operating Services	25,600	26,947	< 1,347>
	$ 25,600	$ 26,947	$< 1,347>
Jail Building			
Personal Services	$ -----	$ -----	$ -----
Operating Services	116,900	122,170	< 5,270>
	$ 116,900	$ 122,170	$< 5,270>
Victims of Crime Act			
Personal Services	$ 36,070	$ 38,265	$< 2,195>
Operating Services	-----	32,542	< 32,542>
	$ 36,070	$ 70,807	$< 34,737>
Total Public Safety	$ 2,925,369	$ 3,303,042	$< 377,673>

Lamar County, Georgia
Schedule of Expenditures – General Fund
Budget and Actual
For the Year Ended December 31, 2011

	Governmental Fund Types		
	General Fund		
	Budget	Actual	Variance
Public Works			
Road Department			
Personal Services	$ 461,200	$ 508,801	$< 47,601>
Operating Services	304,544	251,410	53,134
	$ 765,744	$ 760,211	$ 5,533
Total Public Works	$ 765,744	$ 760,211	$ 5,533
Health and Public Services			
Health Department			
Personal Services	$ -----	$ -----	$ -----
Operating Services	100,000	100,055	< 55>
	$ 100,000	$ 100,055	$< 55>
Family and Children Services			
Personal Services	$ -----	$ -----	$ -----
Operating Services	19,500	18,496	1,004
	$ 19,500	$ 18,496	$ 1,004
Senior Citizens Center			
Personal Services	$ 36,010	$ 42,442	$< 6,432>
Operating Services	91,520	87,016	4,504
	$ 127,530	$ 129,458	$< 1,928>
Service Center Building			
Personal Services	$ -----	$ -----	$ -----
Operating Services	26,900	25,063	1,837
	$ 26,900	$ 25,063	$ 1,837
Public Transportation			
Personal Services	$ -----	$ -----	$ -----
Operating Services	7,705	4,756	2,949
	$ 7,705	$ 4,756	$ 2,949
Summer Food Program			
Personal Services	$ -----	$ -----	$ -----
Operating Services	38,758	41,785	< 3,027>
	$ 38,758	$ 41,785	$< 3,027>
Total Health and Public Services	$ 320,393	$ 319,613	$ 780

Lamar County, Georgia
Schedule of Expenditures – General Fund
Budget and Actual
For the Year Ended December 31, 2011

	Governmental Fund Types		
	General Fund		
	Budget	Actual	Variance
Culture and Recreation			
Recreation Center			
Personal Services	$ 191,118	$ 175,933	$ 15,185
Operating Services	185,343	142,137	43,206
	$ 376,461	$ 318,070	$ 58,391
Old Jail Museum Buildings			
Personal Services	$ -----	$ -----	$ -----
Operating Services	2,767	2,398	369
	$ 2,767	$ 2,398	$ 369
Total Culture and Recreation	$ 379,228	$ 320,468	$ 58,760
Housing and Development			
Zoning Administration			
Personal Services	$ 110,084	$ 108,169	$ 1,915
Operating Services	12,080	7,565	4,515
	$ 122,164	$ 115,734	$ 6,430
County Extension Office			
Personal Services	$ 30,762	$ 15,900	$ 14,862
Operating Services	20,508	19,102	1,406
	$ 51,270	$ 35,002	$ 16,268
Forestry Service			
Personal Services	$ -----	$ -----	$ -----
Operating Services	7,500	9,434	< 1,934>
	$ 7,500	$ 9,434	$< 1,934>
Soil and Water Conservation			
Personal Services	$ 25,183	$ 19,140	$ 6,043
Operating Services	3,000	3,000	-----
	$ 28,183	$ 22,140	$ 6,043
Industrial Development Authority			
Personal Services	$ -----	$ -----	$ -----
Operating Services	65,000	65,000	-----
	$ 65,000	$ 65,000	$ -----
Total Housing and Development	$ 274,117	$ 247,310	$ 26,807
TOTAL CURRENT OPERATIONS	$ 8,007,220	$ 8,263,310	$< 256,090>

Lamar County, Georgia
Schedule of Expenditures – General Fund
Budget and Actual
For the Year Ended December 31, 2011

	Governmental Fund Types		
	General Fund		
	Budget	Actual	Variance
CAPITAL OUTLAY			
General Government			
Board of Commissioners	$ -----	$ -----	$ -----
Tax Commissioners	-----	-----	-----
Tax Assessors	-----	-----	-----
Registrar	-----	-----	-----
Courthouse Building	-----	-----	-----
Courthouse Annex	-----	-----	-----
Administration Building	-----	-----	-----
	$ -----	$ -----	$ -----
Judicial			
Clerk of Courts	$ -----	$ -----	$ -----
Superior Court	-----	-----	-----
Probate Court	-----	-----	-----
District Attorney	-----	-----	-----
Magistrate Court	-----	-----	-----
	$ -----	$ -----	$ -----
Public Safety			
Sheriff's Office	$ -----	$ -----	$ -----
Prisoner Support	-----	-----	-----
Coroner	-----	-----	-----
Emergency Management	-----	-----	-----
Ambulance Services	-----	-----	-----
Fire Department	-----	-----	-----
Ambulance and Fire Building	-----	-----	-----
Probation Office	-----	-----	-----
Jail Building	7,000	-----	7,000
Victims of Crime Act	-----	10,518	< 10,518>
	$ 7,000	$ 10,518	$< 3,518>
Public Works			
Road Department	$ -----	$ -----	$ -----
Clean Community Commission	-----	-----	-----
County Workshop & Maintenance Buildings	-----	-----	-----
	$ -----	$ -----	$ -----
Health and Public Services			
Health Department	$ -----	$ -----	$ -----
Family and Children Services	-----	-----	-----
Senior Citizens Center	-----	-----	-----
Service Center Building	-----	-----	-----
Public Transportation	-----	-----	-----
	$ -----	$ -----	$ -----

Lamar County, Georgia
Schedule of Expenditures – General Fund
Budget and Actual
For the Year Ended December 31, 2011

	Governmental Fund Types		
	General Fund		
	Budget	Actual	Variance
Culture and Recreation			
Recreation Center	$ -----	$ -----	$ -----
Old Jail Museum	-----	-----	-----
Housing and Development	-----	-----	-----
Zoning Administration	-----	-----	-----
Buildings	-----	-----	-----
County Extension Office	-----	-----	-----
Forestry Services	-----	-----	-----
Soil and Water Conservation	-----	-----	-----
Industrial Development Authority	-----	-----	-----
	$ -----	$ -----	$ -----
TOTAL CAPITAL OUTLAY	$ 7,000	$ 10,518	$< 3,518>
DEBT SERVICE			
General Government	$ 16,000	$ 24,567	$< 8,567>
TOTAL DEBT SERVICE	$ 16,000	$ 24,567	$< 8,567>
TOTAL EXPENDITURES AND OTHER USES	$ 8,030,220	$ 8,298,395	$< 268,175>

Lamar County, Georgia

Combined Statement of Revenues,
Expenditures, and Changes in Fund Balances

Non-Major Governmental Funds

For the Year Ended December 31, 2011

	Non-Major Special Revenue Funds
Revenues	
Charges for Services	$ 195,270
Investment Earnings	132
Total Revenues	$ 195,402
Expenditures	
Current	
General Government	$ 170,869
Capital Outlay	166,429
Total Expenditures	$ 337,298
Excess (Deficiency) of Revenues Over (Under) Expenditures	$< 141,896>
Other Financing Sources (Uses)	
Transfers In	$ -----
Transfers Out	-----
Total Other Financing Sources (Uses)	$ -----
Net Change in Fund Balances	$< 141,896>
Fund Balance – Beginning of Year	272,417
Fund Balance – End of Year	$ 130,521

Lamar County, Georgia

Combining Balance Sheet

Non-Major Governmental Funds

For the Year Ended December 31, 2011

	Drug Seizure Fund	Law Library Fund	Totals
ASSETS			
Cash and Cash Equivalents	$ 111,225	$ 19,296	$ 130,521
TOTAL ASSETS	$ 111,225	$ 19,296	$ 130,521
LIABILITIES AND FUND BALANCES			
Liabilities			
Current Liabilities			
Due to Other Funds	$ -----	$ -----	$ -----
Total Liabilities	$ -----	$ -----	$ -----
Fund Balances			
Fund Balance – Restricted	$ 111,225	$ 19,296	$ 130,521
Total Fund Balances	$ 111,225	$ 19,296	$ 130,521

Lamar County, Georgia

Combining Statements of Revenues,
Expenditures, and Changes in Fund Balances

Non-Major Governmental Funds

For the Year Ended December 31, 2011

	Drug Seizure Fund	Law Library Fund	Totals
REVENUES			
Interest Income	$ 132	$ -----	$ 132
Drug Seizures	184,598	-----	184,598
Fines	-----	10,672	10,672
TOTAL REVENUES	$ 184,730	$ 10,672	$ 195,402
EXPENDITURES			
Current Operations			
Supplies	$ 83,810	$ 5,222	$ 89,032
Computer Maintenance	13,822	-----	13,822
Communications	23,338	-----	23,338
Repairs	16,225	55	16,280
Inmate Medical	12,858	-----	12,858
Training	13,139	-----	13,139
Salaries and Benefits	-----	2,400	2,400
Capital Outlay	166,429	-----	166,429
TOTAL EXPENDITURES	$ 329,621	$ 7,677	$ 337,298
Excess Revenues Over/(Under) Expenditures	$< 144,891>	$ 2,995	$< 141,896>
OTHER SOURCES (USES)			
Operating Transfer In/Out	$ -----	$ -----	$ -----
TOTAL OTHER SOURCES (USES)	$ -----	$ -----	$ -----
Excess Revenues and Other Sources Over/(Under) Expenditures and Other(Uses)	$< 144,891>	$ 2,995	$< 141,896>
FUND BALANCE – Beginning of Year	256,116	16,301	272,417
FUND BALANCE – End of Year	$ 111,225	$ 19,296	$ 130,521

Lamar County, Georgia

Combining Schedule of Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2011

TOTAL AGENCY FUNDS	Balance as of 12/31/10	Additions	Deletions	Balance as of 12/31/11
ASSETS				
Cash	$ 368,386	$14,619,517	$14,519,301	$ 468,602
Due from Other Funds	-----	-----	-----	-----
Other Receivables	-----	-----	-----	-----
TOTAL ASSETS	$ 368,386	$14,619,517	$14,519,301	$ 468,602
LIABILITIES				
Due to Other Funds	$ -----	$ -----	$ -----	$ -----
Taxes Due to General Fund	-----	-----	-----	-----
Other Liabilities	368,386	14,619,517	14,519,301	468,602
TOTAL LIABILITIES	$ 368,386	$14,619,517	$14,519,301	$ 468,602

Lamar County, Georgia

Combining Schedule of Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2011

	Balance as of 12/31/10	Additions	Deletions	Balance as of 12/31/11
PROBATE COURT				
ASSETS				
Cash	$ 30,411	$ 394,483	$ 349,833	$ 75,061
Due from Other Funds	-----	-----	-----	-----
TOTAL ASSETS	$ 30,411	$ 394,483	$ 349,833	$ 75,061
LIABILITIES				
Due to Other Funds	$ -----	$ -----	$ -----	$ -----
Other Liabilities	30,411	394,483	349,833	75,061
TOTAL LIABILITIES	$ 30,411	$ 394,483	$ 349,833	$ 75,061
SHERIFF				
ASSETS				
Cash	$ 62,386	$ 234,102	$ 232,428	$ 64,060
TOTAL ASSETS	$ 62,386	$ 234,102	$ 232,428	$ 64,060
LIABILITIES				
Due to Other Funds	$ -----	$ -----	$ -----	$ -----
Other Liabilities	62,386	234,102	232,428	64,060
TOTAL LIABILITIES	$ 62,386	$ 234,102	$ 232,428	$ 64,060
CLERK OF SUPERIOR COURT				
ASSETS				
Cash	$ 3,379	$ 539,241	$ 523,704	$ 18,916
TOTAL ASSETS	$ 3,379	$ 539,241	$ 523,704	$ 18,916
LIABILITIES				
Other Liabilities	$ 3,379	$ 539,241	$ 523,704	$ 18,916
TOTAL LIABILITIES	$ 3,379	$ 539,241	$ 523,704	$ 18,916

Lamar County, Georgia

Combining Schedule of Assets and Liabilities (Continued)

Agency Funds

For the Year Ended December 31, 2011

	Balance as of 12/31/10	Additions	Deletions	Balance as of 12/31/11
MAGISTRATE COURT				
ASSETS				
Cash	$ 35,653	$ 144,765	$ 143,381	$ 37,037
TOTAL ASSETS	$ 35,653	$ 144,765	$ 143,381	$ 37,037
LIABILITIES				
Due to Other Funds	$ -----	$ -----	$ -----	$ -----
Other Liabilities	35,653	144,765	143,381	37,037
TOTAL LIABILITIES	$ 35,653	$ 144,765	$ 143,381	$ 37,037
TAX COMMISSIONER				
ASSETS				
Cash	$ 236,557	$13,306,926	$13,269,955	$ 273,528
Other Receivables	-----	-----	-----	-----
TOTAL ASSETS	$ 236,557	$13,306,926	$13,269,955	$ 273,528
LIABILITIES				
Taxes Due to General Fund	$ -----	$ -----	$ -----	$ -----
Other Liabilities	236,557	13,306,926	13,269,955	13,269,955
TOTAL LIABILITIES	$ 236,557	$13,306,926	$13,269,955	$13,269,955

Lamar County, Georgia
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended December 31, 2011

SPLOST 2005
Expenditures

Project 2005	Original Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Total Completion
City of Barnesville	$ 3,252,347	$ 3,089,750	$ 555,457	$ 3,645,207	112%
City of Milner	275,481	275,481	-----	275,481	100%
Town of Aldora	50,000	50,000	-----	50,000	100%
Lamar County					
Administration					
Building and Equipment	650,000	1,181,783	-----	1,181,783	168%
Fire Station and Equipment	350,000	242,408	49,552	291,960	83%
Recreation Facilities	750,000	505,748	30,124	535,872	71%
Road Equipment	250,000	433,334	119,143	552,477	220%
Roads and Bridges	2,891,966	2,306,665	42,444	2,349,109	81%
			$ 796,720	$ 8,881,889	

*Excess SPLOST Funds: $871,071

SPLOST 2011
Expenditures

Project 2011	Original Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Total Completion
City of Barnesville	$ 3,730,162	$ -----	$ -----	$ -----	0%
City of Milner	382,581	-----	316,178	316,178	83%
Town of Aldora	95,645	-----	95,645	95,645	100%
Lamar County					
Service Center	250,000	-----	-----	-----	
Recreation Facilities	350,000	-----	-----	-----	0%
Fire Truck	680,000	-----	-----	-----	0%
Fire Protection Improvements	50,000	-----	-----	-----	0%
Public Works Equipment	660,000	-----	-----	-----	0%
Roads and Bridges	3,366,131	-----	-----	-----	0%
			$ 411,823	$ 411,823	

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the County of Lamar, 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 December 31, 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 assets exceeded its liabilities by $17,398,489 (net assets) for the fiscal year reported.

- Total net assets are comprised of the following:

    1. Capital assets, net of related debt, of $15,520,091 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
    2. Net assets of $1,001,592 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
    3. At the end of the current fiscal year, unassigned General Fund fund balance decreased from $1,634,664 to $1,095,358. This decrease of $539,306 is approximately 6.5 percent of total General Fund expenditures.

- The County's governmental funds reported total ending fund balance of $1,969,072. This compares to the prior year ending fund balance of $2,271,184 showing a decrease of $302,112 during the current year. The decreases in fund balances are mainly due to revenues generated/collected were less than budgeted, such as fire fees, EMS fees, fines and forfeitures and charges for inmate housing. Also, the Public Safety costs exceeded budget by $377,673.

- At the end of the current fiscal year, unassigned fund balance for the County's governmental funds was $929,570, or 9.3 percent of total governmental funds expenditures.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document is intended to serve as an introduction to the County of Lamar's 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.

Government-Wide Financial Statements

The County's annual financial statements include 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 *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.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The government-wide financial statements are designed to provide readers with a broad overview of the County of Lamar's finances, in a manner similar to private-sector business. The *Statement of Activities*, 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.

In the Statement of Net Assets and the Statement of Activities, the County is divided into two kinds of activities:

- Governmental activities – Most of the County's basic services are reported here, including the sheriff, fire, community development, transportation, information services, environmental and general administration. Property taxes, sales taxes and franchise fees finance the majority of these activities.
- Component units – The County includes three separate legal entities in its report – the Lamar County Board of Health, Lamar County Solid Waste Authority and Lamar County Water and Sewer Authority. Although legally separate, these "component units" are important because the County is financially accountable for them.

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

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. 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 one kind of fund:

- *Governmental funds* – The majority of the County's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The basic governmental fund financial statements are presented on pages 12 – 15 of this report.

The County maintains three major governmental funds. The County's major governmental funds are: General, Special Revenue, and Capital Projects.

Notes to the Basic Financial Statements

The financial statement includes notes that explain some of the information in the financial statements and provides information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 16 of this report.

Budgetary Presentation

Budgetary comparison statements are included as "required supplementary information" for the general and debt service funds. These statements and schedules demonstrate compliance with the County's adopted and final revised budget.

Supplementary Financial Information

As discussed, the County reports major funds in the basic financial statements. Combining and individual statements are presented as supplementary financial information of this report beginning on page 36.

Financial Analysis of the County as a Whole

The County's net assets at fiscal year-end are $17,398,489. The following table provides a summary of the County's net assets:

	Governmental Activities 2011	Governmental Activities 2010
Assets:		
Current Assets	$ 2,708,190	$ 2,717,559
Non Current Assets	15,520,091	16,136,807
Total Assets	$ 18,228,281	$ 18,854,366
Liabilities		
Current Liabilities	$ 739,118	$ 446,375
Long-Term Liabilities	90,674	102,639
Total Liabilities	$ 829,792	$ 549,014
Net Assets:		
Investments in Capital Assets, Net of Debt	$ 15,520,091	$ 16,136,807
Restricted	1,001,592	636,520
Unrestricted	876,806	1,532,025
Total Net Assets	$ 17,398,489	$ 18,305,352

The County continues to maintain an acceptable 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 3.7 to 1. The national trend indicators state that the normal ratio is 2 to 1. The County's ratio as stated is 3.7 to 1 which reflects a greater than normal ratio.

The County reported positive balances in net assets for governmental activities. Analyzing the net assets and net expenses of governmental activities,. This analysis focuses on the net assets (Table 1) and revenues and expenses (Table 2) of the County's governmental activities. Net assets decreased $906,863 for governmental activities.

Note that approximately 89 percent of the governmental activities' net assets are tied up in capital. The County uses these capital assets to provide services to its citizens.

Comparative data has been accumulated and presented to assist analysis. The following table provides a summary of the County's changes in net assets:

Amounts expressed in thousands

	Governmental Activities	Percentage of Total	2010 Total
Revenues			
Program			
Charges for Services	$ 1,873	19.3%	$ 2,316
Operating Grants	78	0.8%	106
Capital Grants	1,587	16.3%	-----
General			
Property Taxes	4,631	47.6%	4,770
Sales Taxes	1,042	10.7%	3,019
Other Taxes	469	4.9%	529
Interest and Other	38	0.4%	37
Total Revenues	$ 9,718	100.0%	$ 10,777
Expenses			
Program Expenses			
General Government	$ 2,729	26.7%	$ 2,704
Public Safety	3,699	34.0%	3,509
Judicial	1,027	9.6%	977
Public Works	1,156	10.9%	1,166
Housing and Development	249	2.3%	284
Health and Public Service	385	3.6%	351
Culture and Recreation	388	3.6%	410
Interest	25	0.2%	31
Intergovernmental	967	9.1%	671
Total Expenses	$ 10,625	100%	$ 10,103
Excess (deficiency)	$< 907>		$ 674
Change in Net Assets	$< 907>		$ 674
Beginning Net Assets	18,305		17,631
Ending Net Assets	$ 17,398		$ 18,305

GOVERNMENTAL REVENUES

The County's governmental activities are heavily reliant on property taxes, sales taxes, and insurance premiums to support governmental operations. Property taxes provided 47.6 percent, sales taxes provided 10.7 percent, and the insurance premium provided 4.6 percent of the County's total revenues. Also, note that program revenues cover only 33.3 percent of governmental operating expenses. This means that the government's taxpayers and the County's other general revenues fund 66.7 percent of the governmental activities. As a result, the general economy and the local businesses have a major impact on the County's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

This table presents the 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.

One of the most significant governmental expenses for the County is providing Public Safety services such as Fire and Sheriff protection. This comprises 35 percent of the total governmental expenses. Public Safety expenses are offset by revenues collected from a variety of sources, with the largest being fines and forfeitures, which were $490,827 for fiscal year ended December 31, 2011. The second largest County cost for government is the general government totaling $2,729,041 or 26 percent of governmental expenses.

- The cost of all governmental activities this year was $10,625,390.
- The revenue amount that paid for most of these activities came from County property taxes, sales tax and insurance premium taxes ($6,126,905).
- Some of the costs were paid by those who benefited directly from the programs ($1,872,405) and subsidies from other governments and organizations through grants and/or contributions ($1,665,159).

Governmental Activities
(Table 3)
(in thousands of dollars)

	FY 2011 Total Cost of Services	FY 2011 Net Cost of Services	FY 2010 Total Cost of Services	FY 2010 Net Cost of Services
General Government	$ 2,729	$ 2,355	$ 2,704	$ 2,680
Judicial	1,027	564	977	495
Public Safety	3,699	2,646	3,509	1,750
Public Works	1,156	750	1,166	1,157
Housing and Development	249	217	284	274
Health and Public Service	385	341	351	362
Culture and Recreation	388	190	410	260
Interest	25	25	31	31
Intergovernmental	967	-----	671	671
Total	$ 10,625	$ 7,088	$ 10,103	$ 7,680

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 $1,969,072. Of this year-end total, $929,570 is unassigned indicating availability for continuing County service requirements.

The total ending fund balances of governmental funds show a decrease of $302,112 or a 13.3 percent decrease. This decrease relates primarily to the generated revenues below the prior year and appropriated amounts.

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 decreased. This decrease in the General Fund fund balance is mainly due to a decrease in revenues and increase in expenditures.

Total revenues were $1,059,000 or 10 percent less than fiscal year 2010. Property taxes were less than the prior year and sales taxes were down 8 percent. The Insurance Premium increased by $9,538 over fiscal year 2010. The Special Purpose Sales Tax decreased $303,507 from the prior year. The Program Revenues, charges for services, were $444,086 less than 2010. The balance of the other general revenues was consistent with that of fiscal year 2010.

Component Units

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.

Discretely presented component units generally are reported only at the government-wide financial reporting level. The County of Lamar, has three discretely presented component units: Lamar County Department of Public Health, Lamar County Solid Waste Authority, and Lamar County Water and Sewer Authority.

Budgetary Highlights

The General Fund – The original revenue budget was not amended. We expended 100 percent of the final budget.

Capital Assets and Debt Administration

The County's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2011 was $15,520,091. The major additions and deletions to capital for FY 11 were:

- Capital expenses associated with the purchase of road improvements were $42,443.
- Capital expenses associated with the purchase of vehicles were $87,783.
- Capital expenses associated with the buildings and improvements were $118,276.

For more information on the changes in capital assets, see Note 3-D.

(in thousands of dollars)	Governmental Activities	
	2011	2010
Non-Depreciable Assets		
Land	$ 1,854	$ 1,854
CIP	203	161
Total Non-Depreciable Assets	$ 2,057	$ 2,015
Depreciable assets		
Buildings and Plant	$ 14,297	$ 14,221
Machinery and Equipment	3,704	3,534
Vehicles	2,384	2,296
Roads and Bridges	48,934	48,892
Total Depreciable Assets	$ 69,319	$ 68,943
Less Accumulated Depreciation	55,856	54,821
Book Value- Depreciable Assets	$ 13,463	$ 16,137
Percentage Depreciated	81%	77%
Total Capital Assets	$ 15,520	$ 18,152

At December 31, 2011, the depreciable capital assets for governmental activities were 81 percent depreciated. This compares to the December 31, 2010 at an increase of 4 percent. This comparison indicates that the County may be focusing on replacing its assets at close to the same rate as they are depreciating which is a positive indicator.

Economic Conditions Affecting the County

Lamar County's elected and appointed officials considered many factors when adopting the fiscal year 2011 budget, millage rates. One of the factors is the economy. The past year's growth in the county was below expectations as reflected in general sales and use tax revenue collections. General revenue funds and fee collections have came in considerably below projections creating a deficit in the revenue stream.

The 2011 property tax revenue was less than 2010 as the digest values decrease. Future revenue increases to provide needed County facilities and services are possible with the implementation of impact fees. This fee will require new development to pay their fair share of future service expansions due to growth.

Contacting the County's Financial Management

This financial report is designated 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 at (770) 358-5146 or visit the County's Website at www.CountyofLamar.com.

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American Institute of
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Form relating to Lamar County's compliance during the fiscal year ended December 31, 2011, with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for each of the following grant awards:

State Awarding Agency	Grant Identification Number	Grant Title	Grant Amount
Victims of Crime Act Program	2010-VA-GX-010	Victims of Crime	$22,364

Management is responsible for Lamar County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Lamar County, Georgia's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and , accordingly, included examining on a test basis, evidence about Lamar County, Georgia's compliance with this requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Lamar County, Georgia's compliance with the specified requirement.

In our opinion, management's assertion the Lamar County, Georgia's complied with the aforementioned requirement for the fiscal year ended December 31, 2011 is fairly stated, in all material respects.

J. Robyn Underwood
June 19, 2012

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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 for a Governmental Entity and with Reference to Audits by other Auditors using the Reference Option (No Material Weaknesses Identified; Significant Deficiencies and Reportable Instances of Noncompliance, and Other Matters Identified)*

Honorable Chairman and
Members of the Commissioners of
Lamar County, Georgia

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Lamar County as of and for the year ended December 31, 2011, which collectively compromise Lamar County's basic financial statements and have issued our report thereon dated June 19, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Lamar County Department of Public Health, and Lamar County Solid Waste Authority, as described in our report on Lamar 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 matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of the 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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Finding and Responses that we consider to be significant deficiencies in internal control over financial reporting, 11-1 and 11-2. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Lamar's 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 matters that we reported to management of the County of Lamar's letter dated June 19, 2012.

The County of Lamar's response to the findings indentified in our audit are described in the accompanying Schedule of Findings and Responses. We did not audit the County of Lamar's response and, accordingly, we express no opinion on it.

The report is intended solely for the information and use of management, Members of the Commissioners, others within the entity, State and Federal Awarding Agencies, and Pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

J. Robyn Underwood, CPA
June 19, 2012

Lamar County, Georgia
Schedule of Audit Findings
For the Year Ended December 31, 2011

11 – 1 Expenditures Exceeded Appropriations

Condition and Criteria:	The County exceeded its budgeted appropriations on several line items. (A prior year finding)
Effect:	Exceeding budgeted appropriations caused the County's liquid assets to deplete.
Recommendation:	The County's management should review the budget process on a monthly basis and control expenditures when revenues cannot reflect an increase.
Management Response:	We Concur. We are making strides in the budgetary process by involving the department heads more extensively in the monthly spending process. We are reviewing the budget on a monthly basis and implementing controls over specific line items.

11 – 2 Segregation of Duties

Condition and Criteria:	The same personnel make the deposits and posts the deposits into the computer system.
Effect:	An accounting error could occur and not be detected in a timely manner.
Recommendation:	We suggest a different personnel post the deposit to the computer system.
Management Response:	We concur. We have implemented internal control procedures to review and reconcile the actual deposits to the deposits posted in the system by other personnel.

Prior Year Findings:

10 – 1 Expenditures Exceeded Appropriations

Condition and Criteria:	The County exceeded its budgeted appropriations on several line items. (A prior year finding)
Effect:	Exceeding budgeted appropriations caused the County's liquid assets to deplete.
Recommendation:	The County's management should review the budget process on a monthly basis and control expenditures when revenues cannot reflect an increase.
Management Response:	We Concur. We are making strides in the budgetary process by involving the department heads more extensively in the monthly spending process. We are reviewing the budget on a monthly basis and implementing controls over specific line items.

10 – 2 Segregation of Duties

Condition and Criteria:	The same personnel gathers and opens the mail, makes the deposits, and posts the deposits into the computer system.
Effect:	An accounting error could occur and not be detected in a timely manner.
Recommendation:	We suggest a different personnel open the mail and yet another post the deposit to the computer system.
Management Response:	We concur. We have implemented internal control procedures to separate functions previously performed by the same personnel. This procedure was implemented in August of 2011.