Laurens County, Georgia

Annual Financial Report

For the Year Ended
June 30, 2011

LAURENS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

Issued by: Scott Bourassa, Finance Officer
under Authority of the Board of Commissioners

LAURENS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

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Financial Section

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Of Laurens County, Georgia:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Laurens County, Georgia (the "County"), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Laurens County, Georgia's elected officials and management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Laurens County Public Health Center and the Dublin-Laurens County Development Authority, major component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Laurens County Public Health Center and the Dublin-Laurens County Development Authority is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Laurens County Hospital Authority were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports 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 aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Laurens County, Georgia, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2012 on our consideration of Laurens County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, on pages 3 through 9, and the required supplementary information other than management's discussion and analysis, on pages 50 through 57, respectively, 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 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 Laurens County, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Laurens County, Georgia. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Thigpen, Jones, Seaton, & Co., P.C.

January 31, 2012
Dublin, Georgia

Management's Discussion and Analysis

LAURENS COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANLALYSIS

As management of Laurens County, Georgia, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Laurens County for the fiscal year ended June 30, 2011. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

Key financial highlights for FY 2011 are as follows:

The County's combined net assets totaled $46.7 million. Of this amount, unrestricted net assets of $6 million may be used to meet the government's ongoing obligations to citizens and creditors.

Combined revenue totaled $30.7 million, all of which was derived from governmental activities.

Overall expenses totaled $30.8 million, all of which was derived from governmental activities.

Overall the net change in fund balance was a decrease of $4.7 million which was caused by assuming Development Authority debt of $5.3 million. The net change in the General Fund balance was a decrease of $685,365.

As of June 30, 2011, the County's General Fund reported an unassigned fund balance of $3.3 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Laurens County, Georgia's basic financial statements. The County's basic financial statements consist of the following elements:

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the County's overall financial condition. Changes in the County's financial position may be measured over time by increases and decreases in the Statement of Net Assets. Information on how the County's net assets changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the County, reporting the County's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental, proprietary, and fiduciary funds. Financial statements for the County's component units are also presented.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 to the financial statements for more detailed information on the elements of the financial statements. Table 1 below summarizes the major features of the basic financial statements.

Table 1: Major Features of the Basic Financial Statements

	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire State government (except fiduciary funds) and the County's component units	Activities of the County that are not proprietary or fiduciary	Activities of the County that are operated similar to private business	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Assets

Table 2 below presents the County's condensed statement of net assets as of June 30, 2011 and 2010. The County does not maintain any business-type activities, therefore only governmental activities are presented.

Table 2: Condensed Statement of Net Assets

	Governmental Activites	
	2011	2010
Assets		
Current and other assets	$ 17,454,269	$ 17,361,108
Capital assets	37,792,395	33,627,491
Total assets	55,246,664	50,988,599
Liabilities		
Other liabilities	7,693,655	2,887,049
Long-term liabilities	896,960	1,341,307
Total liabilities	8,590,615	4,228,356
Net Assets		
Invested in capital assets, net of related debt	36,451,566	31,772,382
Restricted	4,254,658	321,254
Unrestricted	5,949,825	14,666,607
Total net assets	$ 46,656,049	$ 46,760,243

The largest component of the County's net assets is its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The County uses these capital assets to provide services to the citizens and businesses in the County; consequently, these net assets are not available for future spending. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net assets is unrestricted, which can be used to finance government operations.

Condensed Statement of Activities

Table 3 below presents the County's condensed statement of activities for the fiscal year ended June 30, 2011 and 2010. Over time, increases and decreases in net assets measure whether the County's financial position is improving or deteriorating.

Table 3: Condensed Statement of Activities

	Governmental Activities	
	2011	2010
Revenues		
Program revenues:		
Charges for services	$ 10,804,006	$ 10,279,431
Operating grants and contributions	790,120	371,954
Capital grants and contributions	222,571	703,985
General revenues:		
Property taxes	7,578,379	7,470,809
Other taxes	10,692,133	11,400,169
Other revenues	592,409	1,074,345
Total Revenues	30,679,618	31,300,693
Expenses		
General government	7,866,467	7,282,535
Judicial	3,429,657	3,394,221
Public safety	12,284,690	10,960,698
Public works	5,670,677	5,487,289
Health and welfare	265,042	422,429
Conservation and natural resources	1,078,606	1,153,619
Housing and development	146,072	178,359
Interest on long-term debt	95,444	125,214
Total Expenses	30,836,655	29,004,364
Increase (decrease) in net assets before gain (loss) and transfers	(157,037)	2,296,329
Gain (loss) on sale of capital assets	25,802	96,529
Transfers	-	-
Change in net assets	(131,235)	2,392,858
Beginning net assets	46,760,243	44,367,385
Restatement of Prior Year Net Assets	27,041	-
Ending net assets	$ 46,656,049	$ 46,760,243

During the fiscal year ending June 30, 2011 the net assets of the government activities decreased $131,235 or .28%. Total revenues for 2011 decreased by $621,075 or 1.98%. The decrease was due to a decrease in revenue generated by sales tax and other taxes which decreased $708,036 or 6.21% as well as other revenues which decreased $481,936 or 44.86%. However, the decrease was partially offset by an increase in charges for services that the County received. Total expenses for 2011 increased by $1,832,291 or 6.32%. The main reason for the increase in expenses in 2011 was due to increases in expenses for public safety of $1,323,992 or 12.08% as well as increase in general government expenses of $583,932 or 8.02%. The general government expenses increase was mainly due to elections during the fiscal year.

Approximately 24.70% of the County's revenues came from property taxes and approximately 34.85% came from other taxes. Approximately 35.22% of the County's revenues came from charges for services and approximately 3.30% and 1.93% came from grants and other revenues, respectively. Although a majority of the County's expenses are financed by property taxes and other taxes, the County continues to rely heavily on revenues from charges for services to fund its budget. The County's expenses cover a range of services with 39.84% related to public safety, 18.39% related to public works, 25.51% related to general government activities which includes the tax commissioner and tax assessor, and 11.12% related to judicial activities. Although total expenses have increased there has not been a shift in the allocation of resources.

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities for the fiscal year ended June 30, 2011 and 2010.

Table 4: Program Expenses and Revenues for Governmental Activities

	2011		
Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues)(b)
General government	$ 7,866,467	$ 4,212,754	$ 3,653,713
Judicial	3,429,657	3,080,241	349,416
Public safety	12,284,690	4,121,965	8,162,725
Public works	5,670,677	253,310	5,417,367
Health and welfare	265,042	148,427	116,615
Conservation and natural resources	1,078,606	-	1,078,606
Housing and development	146,072	-	146,072
Interest on long-term debt	95,444	-	95,444
Totals	$ 30,836,655	$ 11,816,697	$ 19,019,958

	2010		
Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues)(b)
General government	$ 7,282,535	$ 3,849,678	$ 3,432,857
Judicial	3,394,221	3,273,692	120,529
Public safety	10,960,698	3,809,387	7,151,311
Public works	5,487,289	315,993	5,171,296
Health and welfare	422,429	60,090	362,339
Conservation and natural resources	1,153,619	46,530	1,107,089
Housing and development	178,359	-	178,359
Interest on long-term debt	125,214	-	125,214
Totals	$ 29,004,364	$ 11,355,370	$ 17,648,994

(b) Net program expenses are mainly supported by taxes

Program revenues are allocated based on which program collects the revenue. Therefore, judicial program expenses were adequately covered by charges for services due to the allocation of traffic fines issued by public safety, but collected by Probate Court. Overall, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were therefore supported by general revenues, mainly taxes.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The focus of the County's governmental funds is to provide information on near-term inflows and outflows and the balance of resources available for spending. Such information is useful in assessing the County's financing requirements. In particular, unassigned balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the fiscal year, the County's governmental funds reported a combined ending fund balance of $2,407,323 with $156,334 reported as non-spendable, $4,254,658 reported as restricted, and a negative $2,003,669 unassigned fund balance. The reason for the negative unassigned fund balance is due the County obtaining a Tax Anticipation Note in the 2012 SPLOST governmental fund which will not have income until fiscal year ending June 30, 2013. The negative unassigned fund balance will be eliminated when the SPLOST revenue is collected in fiscal year ending June 30, 2013

The General Fund is the operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $3,327,789 and total fund balance was $3,461,374. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents 13.31% of total General Fund expenditures, while total fund balance represents 13.84%. The net change in the General Fund's fund balance for the fiscal year ended June 30, 2011, was a decrease of $685,365 or 16.53%. The reason for the decrease in the fund balance was mainly due to increases in transfers out which increased $729,466. The reason for the increase in transfers out was due to the employee insurance fund increase in payment of claims which was not covered by a corresponding increase in insurance premium revenue. Also assisting in the decrease in fund balance was a decrease in revenues of $158,293 and an increase in expenditures of $185,899.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the County may revise the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; 3) increases in appropriations that become necessary to maintain services. The fiscal year ended June 30, 2011 budget was not amended.

The actual operating revenues of the General Fund did not exceed the final budgeted amounts by $33,080. Although there was a favorable variance in charges for services of $448,177, there were unfavorable variances in fines & forfeitures of $332,048 and taxes of $47,566 which offset the increase in charges for services.

The actual operating expenditures of the General Fund exceed the final budgeted amounts by $5,293,602. The main reason for the unfavorable variance was due the County assuming the purchase of industrial property of $5,310,000 from the Laurens County Industrial Authority. The purchase was financed by a Tax Anticipation Note. General Fund had positive variance in Judicial, Public Works and Health and Welfare but they were offset by negative variances in public safety, and general government.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

At June 30, 2011, the County reported $37,792,395 in capital assets for governmental activities. Major capital asset transactions during the year were several paving and resurfacing projects. Also, equipment was purchased for emergency management, sheriff department as well as public works. Refer to Note III-D to the financial statements for additional information on capital assets

At June 30, 2011, the County reported capital lease debt of $401,682 Refer to Note 3-G to the financial statements for additional information on capital leases. The County has also entered into an intergovernmental agreement with the Laurens County Public Facilities Authority, a component unit, to finance the installation of an air conditioning system in the courthouse, construction of EMA/EMS building, construction of t-hangers, road construction, and construction of mental health buildings. Refer to Note III-G to the financial statements for additional information on the long-term debt. Also, Laurens County obtained a Tax Anticipation Note for $5,310,000 during FY 2011 for economic development and the note will be by the new SPLOST that was passed during FY 2011.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

As with the rest of the State of Georgia, Laurens County's economic climate for FY 2011 has changed from stagnation to a very slow recovery. Revenues such as sales tax appear to have leveled off and are slowly creeping up. Even with the lower levels of taxes, the Special Local Option Sales Tax continues to assist the County in funding much needed capital outlay projects such as resurfacing infrastructure and purchasing needed equipment for public safety and public works. Laurens County industry has declined due to lay offs at major industries. However none of the industries has closed and they continue to operate. Fortunately, Laurens County has obtained a new industry that opened this fiscal year. The economic outlook for FY 2012 appears to be looking toward a slow recovery out of the recession. It is expected that the tax digest will slightly increase and that sales tax is anticipated to increase only slightly during FY 2012. However, Laurens County is being considered by several new industries that may invest in the County during the end of FY 2012 and the beginning of FY 2013.

The development of the FY 2012 budget was challenging. With the County being gripped in a slow recovery out of the recession, a reduction of state grants to local governments and the property tax digest increasing slightly, the County's ability to maintain existing service levels without a tax increase have been impacted. The FY 2012 general fund budget represents a 1.60% decrease over the FY 2011 General Fund budget. The millage rate and other charges for services were not increased for FY 2012.

Difficult choices have been made as the FY 2012 budget was developed, and it represents a balance between available resources and needs. This balance was achieved using the objectives and priorities established by the Board of Commissioners.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions about this report or requests for additional financial information may be addressed to:

Laurens County Finance Department
117 East Jackson Street
P.O. Box 2011
Dublin, Georgia 31040
Telephone: (478) 272-4755

Basic Financial Statements

LAURENS COUNTY, GEORGIA

Exhibit 1

STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government	Component Units			
	Governmental Activities	Solid Waste Management Authority	Public Facilities Authority	Development Authority	Public Health Center
Assets					
Cash and cash equivalents	$ 8,085,320	$ 609,633	$ 549,455	$ 177,383	$ 1,156,624
Investment - State of Georgia Long-term Extended Asset Pool, at market value	6,325,830	-	-	-	-
Certificates of deposit	-	-	-	562,395	1,047,938
Receivables, net of allowances for uncollectible:					
Taxes	449,001	-	-	-	-
Accounts	1,153,462	156,088	-	-	-
Due from other governments	1,274,241	-	-	58,528	757,545
Rent	-	-	-	17,200	-
Accrued interest receivable	705	7,207	-	2,811	-
Prepaid expenditures	156,334	8,543	-	-	-
Advances to component units	9,376	-	-	-	-
Advances to primary government	-	-	939,147	-	-
Capital assets:					
Land and other non-depreciable assets	3,835,455	288,824	-	4,134,975	-
Other capital assets, net of depreciation	33,956,940	1,997,445	-	5,812,713	246,387
Utility deposits	-	-	-	150	-
Restricted cash - post closure care costs	-	3,362,757	-	-	-
Total assets	55,246,664	6,430,497	1,488,602	10,766,155	3,208,494
Liabilities					
Accounts payable	885,405	23,315	-	-	59,482
Accrued expenses	466,496	17,605	16,564	1,620	-
Due to other governments	-	-	-	-	31,238
Accrued interest payable	-	-	-	2,950	-
Short term notes payable	5,310,000	-	-	-	-
Compensated absences payable - current	444,275	-	-	-	68,216
Advances to primary government	143,610	-	-	-	-
Long-term obligations:					
Due within one year	443,869	81,934	142,000	527,856	-
Due in more than one year	896,960	6,270,203	1,472,000	2,969,041	272,866
Total liabilities	8,590,615	6,393,057	1,630,564	3,501,467	431,802
Net Assets					
Invested in capital assets, net of related debt	36,451,566	1,922,438	-	6,447,841	246,387
Restricted for:					
Special programs	4,254,658	-	-	-	-
Capital activity and debt service	-	-	-	43,927	-
Advances to component unit	-	-	-	-	-
Post closure care costs	-	-	-	-	-
Prior year program income fund	-	-	-	-	580,640
Unrestricted	5,949,825	(1,884,998)	(141,962)	772,920	1,949,665
Total net assets	$ 46,656,049	$ 37,440	$ (141,962)	$ 7,264,688	$ 2,776,692

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Component Units: Solid Waste Management Authority	Component Units: Public Facilities Authority	Component Units: Development Authority	Component Units: Public Health Center
Primary Government									
Governmental Activities:									
General government	$ 7,866,467	$ 3,899,282	$ 176,376	$ 137,096	$ (3,653,713)	$ -	$ -	$ -	$ -
Judicial	3,429,657	2,927,505	152,736	-	(349,416)	-	-	-	-
Public safety	12,284,690	3,723,909	312,581	85,475	(8,162,725)	-	-	-	-
Public works	5,670,677	253,310	-	-	(5,417,367)	-	-	-	-
Health and welfare	265,042	-	148,427	-	(116,615)	-	-	-	-
Conservation of natural resources	1,078,606	-	-	-	(1,078,606)	-	-	-	-
Housing and development	146,072	-	-	-	(146,072)	-	-	-	-
Interest on long-term debt	95,444	-	-	-	(95,444)	-	-	-	-
Total governmental activities	30,836,655	10,804,006	790,120	222,571	(19,019,958)	-	-	-	-
Total primary government	30,836,655	10,804,006	790,120	222,571	(19,019,958)	-	-	-	-
Component Units									
Laurens County Solid Waste Management Authority	1,798,185	1,467,332	-	-	-	(330,853)	-	-	-
Laurens County Public Facilities Authority	68,806	-	-	-	-	-	(68,806)	-	-
Dublin-Laurens County Development Authority	1,983,314	-	1,646,581	-	-	-	-	(336,733)	-
Laurens County Public Health Center	8,247,026	1,258,229	6,186,364	-	-	-	-	-	(802,433)
Total component units	$ 12,097,331	$ 2,725,561	$ 7,832,945	$ -	-	(330,853)	(68,806)	(336,733)	(802,433)
General revenues:									
Property taxes					7,578,379	-	-	-	-
Sales and other taxes					10,692,133	-	-	327,297	-
Licenses and permits					50,877	-	-	-	-
Intra/inter agency					-	-	-	-	810,954
Unrestricted investment earnings					172,543	46,366	41,430	11,283	-
Rent income					198,804	-	-	601,039	-
Other local funds					-	-	-	-	38,554
Unrealized losses on marketable securities					(67,558)	-	-	-	-
Miscellaneous					237,743	-	-	185	5,966
Gain on sale of capital assets					25,802	-	-	-	-
Total general revenues and transfers					18,888,723	46,366	41,430	939,804	855,474
Change in net assets					(131,235)	(284,487)	(27,376)	603,071	53,041
Net assets - beginning					46,760,243	321,927	(114,586)	6,661,617	2,723,651
Prior period adjustment					27,041	-	-	-	-
Net assets - beginning					46,787,284	321,927	(114,586)	6,661,617	2,723,651
Net assets - ending					$ 46,656,049	$ 37,440	$ (141,962)	$ 7,264,688	$ 2,776,692

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	Emergency Medical Services	SPLOST	2012 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 2,609,256	$ 122,437	$ 3,395,301	$ -	$ 904,476	$ 7,031,470
Receivables, net of allowances for uncollectibles:						
Taxes	449,001	-	-	-	-	449,001
Accounts	170,357	833,316	-	-	135,027	1,138,700
Due from other governments	490,094	-	749,877	-	34,270	1,274,241
Due from other funds	759,792	-	-	-	-	759,792
Accrued interest receivable	-	-	-	-	705	705
Prepaid expenditures	133,585	19,989	-	-	2,760	156,334
Advances to component units	-	9,376	-	-	-	9,376
Total Assets	**$ 4,612,085**	**$ 985,118**	**$ 4,145,178**	**$ -**	**$ 1,077,238**	**$ 10,819,619**
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 259,418	$ 8,424	$ 380,175	$ -	$ 37,061	$ 685,078
Accrued expenses	320,011	90,287	18,388	-	37,810	466,496
Due to other funds	149,495	267,987	79,576	-	412,229	909,287
Short term notes payable	-	-	-	5,310,000	-	5,310,000
Deferred revenues	421,787	618,070	-	-	1,578	1,041,435
Total Liabilities	1,150,711	984,768	478,139	5,310,000	488,678	8,412,296
Fund Balances:						
Nonspendable for -						
Prepaid expenditures	133,585	19,989	-	-	2,760	156,334
Restricted for -						
Special programs	-	-	3,667,039	-	587,619	4,254,658
Unassigned	3,327,789	(19,639)	-	(5,310,000)	(1,819)	(2,003,669)
Total Fund Balances	3,461,374	350	3,667,039	(5,310,000)	588,560	2,407,323
Total Liabilities and Fund Balances	**$ 4,612,085**	**$ 985,118**	**$ 4,145,178**	**$ -**	**$ 1,077,238**	**$ 10,819,619**

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 4

RECONCILIATION OF NET ASSETS –GOVERNMENTAL FUNDS IN THE STATEMENT OF NET ASSETS TO TOTAL FUND BALANCE – GOVERNMENTAL FUNDS ON THE BALANCE SHEET FOR THE YEAR ENDED JUNE 30, 2011

Fund balance - total governmental funds		$ 2,407,323
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		37,792,395
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		1,041,435
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.		7,200,000
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
	Advances from component units	(939,147)
	Capital leases payable	(401,682)
	Compensated absences	(444,275)
	Net assets of governmental activities	$ 46,656,049

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General	Emergency Medical Services	SPLOST	2012 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 13,858,734	$ -	$ 8,086,799	$ -	$ -	$ 21,945,533
Licenses and permits	50,877	-	-	-	-	50,877
Charges for services	1,825,587	1,936,150	-	-	1,026,364	4,788,101
Fines and forfeitures	2,677,452	-	-	-	232,608	2,910,060
Grant revenues	322,381	-	137,096	-	553,843	1,013,320
Contribution revenues	-	-	-	-	12,692	12,692
Interest income	9,899	559	6,826	-	3,760	21,044
Other revenues	231,495	137,707	5,500	-	61,845	436,547
Total Revenues	18,976,425	2,074,416	8,236,221	-	1,891,112	31,178,174
Expenditures:						
Current:						
General government	3,221,466	-	-	-	615,626	3,837,092
Judicial	2,629,138	-	-	-	317,305	2,946,443
Public safety	6,916,760	2,425,177	-	-	956,782	10,298,719
Public works	3,768,427	-	625,139	-	-	4,393,566
Health and welfare	171,406	-	-	-	-	171,406
Conservation and natural resources	1,078,607	-	-	-	-	1,078,607
Payments to other government agencies	-		3,685,963	-	-	3,685,963
Housing and development	146,072	-	-	-	-	146,072
Debt Service:						
Principal payments	51,817	-	462,463	-	-	514,280
Interest payments	72,599	-	22,845	-	-	95,444
Capital outlay	5,310,000	12,620	2,275,576	-	147,143	7,745,339
Total Expenditures	23,366,292	2,437,797	7,071,986	-	2,036,856	34,912,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,389,867)	(363,381)	1,164,235	-	(145,744)	(3,734,757)
Other Financing Sources (Uses):						
Transfers in	5,310,000	361,981	-	-	248,870	5,920,851
Transfers out	(1,636,261)	-	-	(5,310,000)	-	(6,946,261)
Proceeds from sale of capital assets	30,763	1,400	-	-	-	32,163
Total other financing sources (uses)	3,704,502	363,381	-	(5,310,000)	248,870	(993,247)
Net Change in Fund Balances	(685,365)	-	1,164,235	(5,310,000)	103,126	(4,728,004)
Fund balances - beginning	4,146,739	350	2,502,804	-	458,393	7,108,286
Prior period adjustment	-	-	-	-	27,041	27,041
Fund balances - beginning, as restated	4,146,739	350	2,502,804	-	485,434	7,135,327
Fund balances - ending	$ 3,461,374	$ 350	$ 3,667,039	$ (5,310,000)	$ 588,560	$ 2,407,323

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2011

Net change in fund balances - Total Governmental Funds	$	(4,728,004)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Assets as follows:		
Capital outlay and infrastructure, net of non-capitalized items		7,897,973
Depreciation expenses on governmental capital assets are included in the governmental activities column in the Statement of Net Assets but are not shown in the governmental funds.		(3,726,708)
In the Statement of Activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets disposed of.		(6,361)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but as a reduction of long-term liabilities in the Statement of Net Assets:		
Capital leases		462,463
Advance from component units		51,817
Revenues in the statement of activities that do not provide financial resources are not reported as revenues in the funds. The amount of deferred revenues recognized as revenue in the statement of activities changed as follows:		
Property taxes		10,942
Emergency Medical Services Ambulance Fees		(64,616)
Homeland Security Grant		(20,147)
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 -		
Compensated absences		(8,594)
Change in Net assets of Governmental Activities	$	(131,235)

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 7

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes	$ 13,906,300	$ 13,906,300	$ 13,858,734	$ (47,566)
Licenses and permits	50,700	50,700	50,877	177
Grant revenues	361,595	361,595	322,381	(39,214)
Charges for services	1,377,410	1,377,410	1,825,587	448,177
Fines and forfeitures	3,009,500	3,009,500	2,677,452	(332,048)
Interest income	13,780	13,780	9,899	(3,881)
Miscellaneous revenues	290,220	290,220	231,495	(58,725)
Total Revenues	19,009,505	19,009,505	18,976,425	(33,080)
Expenditures:				
General government	3,161,455	3,161,455	3,221,466	(60,011)
Judicial	2,731,980	2,731,980	2,629,138	102,842
Public safety	6,594,005	6,594,005	6,916,760	(322,755)
Public works	4,080,060	4,080,060	3,768,427	311,633
Health and welfare	171,795	171,795	171,406	389
Conservation of natural resources	1,060,220	1,060,220	1,078,607	(18,387)
Housing and development	141,000	141,000	146,072	(5,072)
Debt service	132,175	132,175	124,416	7,759
Capital outlay	-	-	5,310,000	(5,310,000)
Total Expenditures	18,072,690	18,072,690	23,366,292	(5,293,602)
Deficiency of Revenues Under Expenditures	936,815	936,815	(4,389,867)	(5,326,682)
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	-	30,763	30,763
Transfers in	200,000	200,000	5,310,000	5,110,000
Transfers out	(1,136,815)	(1,136,815)	(1,636,261)	(499,446)
Total Other Financing Sources (Uses)	(936,815)	(936,815)	3,704,502	4,641,317
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	-	-	(685,365)	(685,365)
Fund Balance, Beginning	4,146,739	4,146,739	4,146,739	-
Fund Balance, Ending	$ 4,146,739	$ 4,146,739	$ 3,461,374	$ (685,365)

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 8

EMERGENCY MEDICAL SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Ambulance fees	$ 1,910,000	$ 1,936,150	$ 26,150
Interest income	-	559	559
Appropriation - Laurens County Hospital Authority	150,000	128,811	(21,189)
Other income	-	8,896	8,896
Total revenues	2,060,000	2,074,416	14,416
Expenditures:			
Salaries	1,641,194	1,707,644	(66,450)
Group insurance	142,768	168,528	(25,760)
Payroll taxes	119,927	123,089	(3,162)
Worker's compensation	26,077	35,772	(9,695)
Other professional services	4,100	3,536	564
Travel	5,000	2,528	2,472
Pest control	480	1,440	(960)
Education and training	10,000	7,903	2,097
Supplies	87,500	78,205	9,295
Repairs and maintenance	107,374	119,182	(11,808)
Licenses	16,700	19,950	(3,250)
Postage	10,000	5,828	4,172
Uniforms	8,000	10,851	(2,851)
Utilities	46,400	50,597	(4,197)
Gas and diesel	71,500	86,807	(15,307)
Miscellaneous	2,050	3,317	(1,267)
Capital outlay	-	12,620	(12,620)
Total expenditures	2,299,070	2,437,797	(138,727)
Deficiency of Revenues Under Expenditures	(239,070)	(363,381)	(124,311)
Other Financing Sources:			
Transfer in	239,070	361,981	122,911
Proceeds from sale of capital assets	-	1,400	1,400
Total Other Financing Sources	239,070	363,381	124,311
Excess of Revenues and Other Financing Sources Over Expenditures	-	-	-
Fund Balance, Beginning	350	350	-
Fund Balance, Ending	$ 350	$ 350	$ -

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 9

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Governmental Activities - Internal Service Funds
Assets:	
Current Assets:	
Cash	$ 1,053,850
Investment - State of Georgia Long-term Extended Asset Pool, at market value	6,325,830
Accounts receivable	14,762
Due from other funds	149,495
Total Assets	7,543,937
Liabilities:	
Accounts payable	200,327
Due to primary government	143,610
Total Liabilities	343,937
Net Assets - Unrestricted	$ 7,200,000

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 10

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities - Internal Service Funds
Operating Revenue - insurance premiums	$ 2,054,284
Operating Expenses:	
Intergovernmental expenditures	86,191
Professional and administrative fees	4,474
Reinsurance premiums	493,728
Employee insurance claims	2,586,068
Total operating expenses	3,170,461
Operating Loss	(1,116,177)
Non-operating Revenues:	
Interest income	158,325
Unrealized gains on marketable securities	(67,558)
Total non-operating revenues	90,767
Loss Before Transfers	(1,025,410)
Transfers in	1,025,410
Change in Net Assets	-
Total Net Assets, Beginning	7,200,000
Total Net Assets, Ending	$ 7,200,000

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 11

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:	
Receipts from employees	$ 718,999
Receipts from primary government	1,368,807
Payments to primary government	(163,749)
Payments to suppliers	(4,820)
Payments to insurance companies	(3,078,089)
Net cash used in operating activities	(1,158,852)
Cash Flows from Non-Capital and Related Financing Activities -	
Transfers from the primary government	1,025,410
Net cash provided by non-capital and related financing activities	1,025,410
Cash Flows from Investing Activities:	
Interest income	158,325
Transfers from investments	1,000,000
Net cash provided by investing activities	1,158,325
Net increase in cash and cash equivalents	1,024,883
Balances - beginning of year	28,967
Balances - end of year	$ 1,053,850
Reconciliation of operating loss to net cash provided in Operating Activities:	
Operating loss	$ (1,116,177)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Net change in assets and liabilities attributable to operations:	
Accounts receivable	(14,762)
Due from other funds	(44,037)
Accounts payable	16,124
Net cash used in operating activities	$ (1,158,852)

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 12

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2011

	Agency Funds
Asset - Cash	$ 1,159,508
Liabilities:	
Due to other governments	$ 250,940
Funds held in escrow	39,944
Other liabilities	868,624
Total Liabilities	$ 1,159,508

The Accompanying Notes to the Financial Statements are an integral part of this statement

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Laurens County, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to Government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the County are described below.

A. Reporting Entity

The County is a local municipality governed by an elected five-member board of commissioners. As required by generally accepted accounting principles, these financial statements present the Government and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. The component unit column in the government-wide financial statements (see note below for description) includes the financial data of the County's discretely presented component units. Each discretely presented component unit is reported in a separate column to emphasize it is legally separate from the County.

Component Units and Related Entities

Blended Component Units:

Alternative Dispute Resolution Program – The Alternative Dispute Resolution Program was created under the provisions of O.C.G.A. Section 15-23-1. The Alternative Dispute Resolution Program was established for the resolution of disputes in any method other than litigation. Under the provisions of this code each county must create a board consisting of the Chief Judge of the Superior Court of the circuit in which the county is located, the Senior Judge of the State Court, the Judge of the Probate Court, the Chief Magistrate, the Clerk of the Superior Court, and one practicing attorney appointed by other members of the board. The board has the power to provide for the collection of charges in each civil action or case filed in the superior, state, probate and magistrate courts; to manage, control and direct funding for the program and the expenditures made there from; to distribute the funding coming into the program in such a manner and subject to such terms and limitations as the board, in its discretion, shall determine will best meet the purpose of this code; to contract for the investment, pooling and expenditure of funds; to adopt such rules and regulations as may be necessary to manage the program; to exercise all other powers necessary for proper administration of the funding mechanism provided for in the code. A separate set of financial statements is not issued. This program is reported as a blended special revenue fund.

Laurens County Hospital Authority – The Hospital Authority is responsible for managing and investing the proceeds from the sale of Laurens County Hospital. The County Board of Commissioners appoints a majority of the governing body of the Authority. Its major assets consist of investment securities, the income of which is appropriated to the County's general fund annually for operating expenditures. The County Commissioners have the authority to remove appointed members of the governing board at will, and the power to exercise a legal claim to the Authority's assets upon termination of existence. During the year ended June 30, 2011, the County Board of Commissioners as well as the Authority's Board approved to begin the process to dissolve the Authority.

The Authority maintains a September 30 fiscal year, and the financial statements as of and for the year ended September 30, 2010 are included in the reporting entity's 2011 financial statements. At June 30, 2011, the liability to the County from the Authority was $9,376. Complete financial statements can be obtained at the entity's administrative office.

Laurens County Hospital Authority
1004 Hillcrest Parkway
P.O. Box 400
Dublin, GA 31040

Discretely Presented Component Units:

Laurens County Solid Waste Management Authority - The Solid Waste Management Authority (SWMA) is responsible for maintaining the County's landfill. It serves all citizens of the County and is governed by a board comprised of three of the Government's elected officials with the remaining portion of the board appointed by the Government's elected council. The rates for user charges and bond issuance authorizations are approved by the Government's council and the legal liability for the Authority's debt remains with the Government. A separate set of financial statements has been issued. The Laurens County Solid Waste Management Authority is presented as a proprietary fund. The component unit maintains a June 30 fiscal year, and the financial statements as of and for the year ended June 30, 2011 are included in the reporting entity's 2011 financial statements. During the year ended June 30, 2011, the primary source of income for the Authority was user fees in the amount of $1,467,332.

Complete financial statements can be obtained at the entity's administrative office.

Laurens County Solid Waste Management Authority
Courthouse Square
P.O. Box 2011
Dublin, GA 31040

Laurens County Public Facilities Authority - The Laurens County Public Facilities Authority was created by the Georgia General Assembly to serve as a building financing vehicle for the various governmental entities of the County. It is governed by a board comprised of two of the Government's elected officials with the remaining portion of the board appointed by the Government's elected council. The Authority's operations were audited in conjunction with the County audit and are shown in the government-wide financial statements. However, a separate set of financial statements is not issued.

Laurens County Public Health Center - The Public Health Center is primarily responsible for providing basic medical care to the indigent citizens within Laurens County. The County Board of Commissioners appoints a majority of the governing body of the component unit. The Center's major assets consist of fixed assets. The County Commissioners have the authority to remove appointed members of the governing board at will and the power to exercise a legal claim to the Center's assets upon termination of existence. The component unit maintains a June 30 fiscal year and the financial statements as of and for the year ended June 30, 2011 are included in the reporting entity's 2011 financial statements. During the year ended June 30, 2011, the primary source of income for the Center was grant income in the amount of $5,185,166 received from the Georgia Department of Human Resources. At June 30, 2011, the liability to the County from the Center was $-0-.

Complete financial statements can be obtained at the entity's administrative office.

Laurens County Public Health Center
2121-B Bellevue Road
Dublin, GA 31021

Dublin-Laurens County Development Authority - The Dublin-Laurens County Development Authority was formed to promote the economic and industrial development in the Dublin-Laurens County, Georgia area. The County Board of Commissioners appoints a majority of the governing body of the component unit. The Authority's major assets consist of fixed assets. The County Commissioners have the authority to remove appointed members of the governing board at will and the power to exercise a legal claim to the Center's assets upon termination of existence. At June 30, 2011, the liability to the County from the Authority was $-0.

Complete financial statements can be obtained at the entity's administrative office.

Dublin-Laurens County Development Authority
1200 Bellevue Avenue
Dublin, GA 31021

Related Organizations - The County Commissioners appoint a majority of the board members of the Department of Family and Children Services and the Laurens County Library. In 2011, the County appropriated operating grants to these agencies of $5,000 and $378,455, respectively.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenues and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they will be collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and other revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *General Fund* is the general operating fund of Laurens County, Georgia. It is used to account for all financial resources of the general Government, except those required to be accounted for in another fund.

The *Emergency Medical Service Fund* accounts for the activities of the County's ambulance service.

The *SPLOST Fund* accounts for the special purpose local option sales tax proceeds collected for the acquisition or construction of major capital projects.

The *2012 SPLOST Fund* accounts for the special purpose local option sales tax proceeds collected for the acquisition or construction of major capital projects and payment of County debt.

Additionally, the County reports the following fund types:

The *Internal Service Funds* account for the financing of goods or services provided by one department or division to other departments or agencies of the Government on a cost-reimbursement basis. The self-funded Employee Insurance Fund and the Hospital Authority are accounted for as Internal Service Funds.

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditure for specific purposes.

The *Capital Projects Fund* accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The *Agency Funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Government holds for others in an agency capacity.

GASB 34 eliminates the presentation of *Account Groups*, but provides for these records to be maintained and used to account for fixed assets and long-term liabilities that are not reflected on the balance sheet of Governmental type funds due to the current financial resources measurement focus that they use.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Governmental activities have been consolidated in the government-wide financial statements. Total governmental funds have been combined with internal service balances and general fixed assets and long term liabilities. The effect of interfund activity has been removed from the government-wide financial statements. Due to/from other funds have been eliminated as well as operating transfers between funds. The net operating loss from internal service funds has been charged to the functional expense categories based on employee insurance claims submitted by department.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service funds are employee payroll deductions and the County's matching contributions for employee health insurance. The principal operating revenue of the Hospital Authority is investment income.

Operating expenses for the internal service funds include the cost of employee health insurance and claims. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. ***Deposits and Investments*** - Cash includes amounts in both interest-bearing and non-interest-bearing demand deposits. State statutes authorize the Government to invest in obligations of the U.S. Treasury, obligations of the State of Georgia or any other states, obligations fully insured or guaranteed by the United States government or governmental agency, Local Government Investment Pool, commercial paper, corporate bonds, obligation of other political subdivisions of the State of Georgia and repurchase agreements. Any bank deposit in excess of the total FDIC insured amount must be secured by an equivalent amount of State or U.S. obligations.

   Investments are recorded at cost or amortized cost plus accrued interest, which approximates market value. The reported value of the Local Government Investment Pool is the same as the fair value of the pool shares. For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

2. ***Receivables and Payables*** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The current portion of these interfund receivables and payables are classified as "due from other funds" or "due to other funds" in the governmental funds.

   Non-current portions of long-term interfund loans receivable/payable are reported as "advances to other funds" or "advances from other funds". Advances receivable in the Governmental funds are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation and are not expendable available financial resources.

   Property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 16 percent of outstanding property taxes at June 30, 2011. Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy is usually billed on August 1.

3. ***Prepaid Items*** - For prepaid expenditures in the government-wide and fund financial statements, the County reports the expenditures during the benefiting period.

4. ***Restricted Assets*** – Certain assets, which include cash of the Laurens County Solid Waste Management Authority, are classified as restricted assets because their use is completely restricted to the payment of post-closure costs when the landfill is closed.

5. ***Capital Assets*** – Capital assets, which include property, plant equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Government as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of two years. All purchased

capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. GASB statement 37 prohibits the capitalization of interest on assets constructed for use in governmental activities. However, interest from debt not considered to be general long-term debt may be included as part of the cost of assets constructed for business-type activities. The total interest expense incurred by the County during the current fiscal year was $95,444. Of this amount, $0 was included as part of the cost of capital assets under construction in connection with public building construction projects.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	40
Furniture and fixtures	10
Machinery and equipment	5
Vehicles	5
Infrastructure	10-30

6. ***Compensated Absences*** - It is the Government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Government does not have a policy to pay any amounts when employees separate from service with the Government. All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. ***Long-term Obligations*** - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

   In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. ***Fund Equity*** – Laurens County, Georgia implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010. This new standard changed the overall definitions and classifications of governmental fund balances.

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

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 the 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 Board of Commissioners through the adoption of a resolution. Only the Board of 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.

Unassigned – Fund balances are reported as unassigned 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.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the County would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

The County does not have a formal minimum fund balance policy; however, the Board of Commissioners address various targeted reserve positions and the Finance Department calculates targets and actual and reports the results to the Board of Commissioners on an annual basis.

Net Assets

Invested in capital assets, net of related debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction or improvement of the assets.

Restricted net asset – This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted net assets – This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

9. ***Estimates*** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The annual budget is the financial plan for the operation of Laurens County, Georgia for the ensuing annual period. The budget process provides for a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the Government. Laurens County budgets are adopted on a basis generally consistent with GAAP; except that encumbrances are treated as budgeted expenditures in the year the commitment to purchase is incurred. Annual appropriated budgets are adopted for the general fund, the capital projects funds and the special revenue funds. All unencumbered appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds.

The Laurens County budget process begins in April with the department and agency heads submitting their departmental budgets. The County's finance department formulates and remits the budget to the budget committee, which is made up of all members of the Laurens County Commission. The County Administrator and Finance Director conduct budget hearings with all departments and agencies with any unresolved differences being presented to the Board of Commissioners. After review by the Commissioners, a final budget is approved when the budget resolution is adopted.

The County Finance Director is delegated the authority to transfer sums within departments. No increase in the departmental budget for the County may be made without the approval of the Board of Commissioners and amendment to the budget. Mid-year budget amendments are presented, where necessary, for adoption by the Commissioners. The general fund is subject to budgetary control on a department basis. During the year, the budget was amended by the method described above.

Unencumbered appropriations in the annual operating budget lapse at fiscal year end while encumbered appropriations are paid from reserved fund balances. When the County's expenditures reach the authorization provided by the operating budget, the Board of Commissioners approves supplemental appropriations.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting--under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation--is utilized in the Governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services are yet to be received. There were no outstanding encumbrances as of June 30, 2011.

B. Budget/GAAP Reconciliation

Prior year encumbrances expended in the current year are not included in the current budget. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund (Exhibit 7) has been prepared on the basis described above. The schedule below reconciles the fund's Excess Revenues and Other Sources Over (Under) Expenditures - GAAP Basis with amounts presented on the Budget Basis.

Deficiency of Revenue and Other Financial Sources Under Expenditures and Other Financing Uses:	
Budget Basis	$ (685,365)
Add - New encumbrances - current year	-
Deduct - Prior year encumbrances expended	-
Generally Accepted Accounted Principles (GAAP) Basis	$ (685,365)

C. Excess of Expenditures over Appropriations in Individual Funds of the General Fund

The individual funds, which had expenditures in excess of appropriations, as well as the object level within each fund at which the excess was incurred, are as follows:

General Fund:	Expenditures	Appropriations	Expenditures Over Appropriations
Current Operating Expenditures:			
County administration	$ 746,124	$ 718,495	$ 27,629
Purchasing department	568	-	568
County administrator	277,649	275,790	1,859
Courthouse	252,615	227,975	24,640
Elections	212,628	206,000	6,628
Probate Judge	307,259	303,065	4,194
Court reporter	116,539	115,140	1,399
Juvenile prosecutor	21,550	-	21,550
Sheriffs department	2,661,638	2,569,680	91,958
Interstate Crime Enforcement Unit	277,528	261,885	15,643
Jail facility	2,612,666	2,407,235	205,431
Drug task force	226,375	223,210	3,165
School security	73,574	71,205	2,369
Animal control	186,092	162,055	24,037
Courthouse security	240,317	231,585	8,732
Community service	8,794	8,500	294
Building inspection	58,173	56,760	1,413
Maintenance shop	397,824	378,145	19,679
Health department	168,456	166,795	1,661
Dublin Main Street Program	10,000	5,000	5,000
Heart of Georgia RDC	26,072	26,000	72
Forestry commission	45,606	25,710	19,896
Total Current Operating Expenditures	$ 8,928,047	$ 8,440,230	$ 487,817
Capital Outlay -			
Economic development	$ 5,310,000	$ -	$ 5,310,000

Emergency Medical Service Fund:	Expenditures	Appropriations	Expenditures Over Appropriations
Salaries	$ 1,707,644	$ 1,641,194	$ 66,450
Group insurance	168,528	142,768	25,760
Payroll taxes	123,089	119,927	3,162
Worker's compensation	35,772	26,077	9,695
Pest control	1,440	480	960
Repairs and maintenance	119,182	107,374	11,808
Licenses	19,950	16,700	3,250
Uniforms	10,851	8,000	2,851
Utilities	50,597	46,400	4,197
Gas and diesel	86,807	71,500	15,307
Miscellaneous	3,317	2,050	1,267
Capital outlay	12,620	-	12,620
Total	$ 2,339,797	$ 2,182,470	$ 157,327

SPLOST Fund:	Expenditures	Appropriations	Expenditures Over Appropriations
Prison detail	$ 42,033	$ 40,685	$ 1,348
Gasoline and oil	161,799	135,000	26,799
Professional services	1,238	-	1,238
Principle payments	462,463	456,400	6,063
Total	$ 667,533	$ 632,085	$ 35,448

Grants Fund:	Expenditures	Appropriations	Expenditures Over Appropriations
Salaries	$ 184,829	$ 155,000	$ 29,829
Group insurance	25,559	20,440	5,119
Payroll taxes	13,079	11,860	1,219
Rental expenditures	1,512	1,500	12
Travel	5,147	2,000	3,147
Education and training	12,186	2,000	10,186
Supplies	7,985	4,350	3,635
Other professional services	47,993	6,500	41,493
Utilities	12,165	4,810	7,355
Gas and oil	10,699	9,690	1,009
Other expenditures	118,559	13,705	104,854
CDBG Block Grant	24,680	-	24,680
Capital outlay	33,676	-	33,676
Total	$ 498,069	$ 231,855	$ 266,214

Enhanced 911 Fund:	Expenditures	Appropriations	Expenditures Over Appropriations
Salaries	$ 566,290	$ 552,000	$ 14,290
Group insurance	65,844	65,025	819
Miscellaneous expenditures	113	-	113
Capital outlay	15,147	-	15,147
Total	$ 647,394	$ 617,025	$ 30,369

Crime Victims Assistance Fund:	Expenditures	Appropriations	Expenditures Over Appropriations
Salaries	$ 1,247	$ -	$ 1,247
Payroll taxes	95	-	95
Contract labor	190,495	174,000	16,495
Community grants	7,500	1,250	6,250
Total	$ 199,337	$ 175,250	$ 24,087

D. Deficit Fund Balance

The Public Facilities Authority had a deficit fund balance in the amount of $141,962 as of June 30, 2011. The deficit fund balance will be liquidated from the income generated from the repayment of the advances to the primary government.

The 2012 SPLOST Fund had a deficit fund balance in the amount of $5,310,000 as of June 30, 2011. The deficit fund balance will be liquidated from the proceeds collected from the special local option sales tax.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Investments – The Government owns no investments as of June 30, 2011.

As of September 30, 2010, the Hospital Authority had invested an original amount of $7,200,000 in the State of Georgia Extended Asset Pool. The Extended Asset Pool is administered by the Georgia Office of Treasury and Fiscal Services as a service for governmental units in Georgia to invest in an approved professionally-managed fund of U.S. Treasury and U.S. Agency securities. As of September 30, 2010, the market value of the investment in the Georgia Extended Asset Pool was $6,325,830 which included $83,124 of undistributed interest income and $42,706 of unrealized gains in market value. The Extended Asset Pool had an AAAf credit quality rating by Standards & Poor's and an effective duration of .92 years. The Authority does not have a formal investment policy.

Custodial Credit Risk – Deposits **–** In the case of deposits, this is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. Neither the Government nor its components units, have a deposit policy for custodial credit risk. As of June 30, 2011, none of the Government's bank balance was exposed to custodial credit risk.

As of June 30, 2011, the County had invested $436,265 into the local Government investment pool or "Georgia Fund 1". The pool was created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. The method used by the pool for reporting interest rate risk is 24 day WAM. However, "Georgia Fund 1" operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. Net asset value is calculated daily and reported to the rating agency weekly to ensure stability. "Georgia Fund 1" is the combined state general fund and local government investment pool and is managed by the Office of Treasury and Fiscal Services. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Georgia Fund 1 deposits are not guaranteed or insured by any bank, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any State agency.

As of June 30, 2011, the County did not have a formal investment policy. Additional disclosures with regards to deposits and investments can be located in the *Summary of Significant Accounting Policies* under the *Assets, Liabilities and Equity* section.

B. Property Taxes

State law requires that property taxes be based on assessed value, which is 40% of fair market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and must be declared and reported on a return for tax purposes by May 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, the Board of Tax Assessors of Laurens County makes all assessments.

Upon completion of all assessments and tax returns, the information is turned over to the Laurens County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. If not, the commissioner may require an across the board percentage adjustment to all real property. The County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes must be paid by the birth date of the owner of the vehicle. Property taxes are usually levied on August 1, of each year. Real and personal property taxes are due by December 1 and considered delinquent by December 2. Property taxes are attached as an enforceable lien on the day the taxes become delinquent.

The total real and personal property tax levy is recorded as revenue in the fiscal year in which such amounts will be available (collected within 60 days of year-end) as net current assets.

In the accompanying financial statements, the portion of the property tax levy for the tax year 2011 collected during the current year has been recognized as revenue.

Property taxes receivable at June 30, 2011, is composed of the following:

Year of Levy:	
2010	$ 360,043
2009	129,924
2008	24,251
2007	4,288
2006	1,258
2005	906
Prior to 2005	1,609
Total	522,279
Less - allowance for uncollectible	73,278
Net receivable	$ 449,001

C. Accounts Receivable

Primary Government

Receivables at June 30, 2011 for the County's individual major funds and non-major, and fiduciary funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	EMS	SPLOST	Employee Insurance Fund	Nonmajor Funds	Total
Receivables:						
Taxes	$ 522,279	$ -	$ -	$ -	$ -	$ 522,279
Accounts	170,357	833,316	-	14,762	135,027	1,153,462
Intergovernmental	490,094	-	749,877	-	34,270	1,274,241
Accrued interest	-	-	-	-	705	705
Gross receivables	1,182,730	833,316	749,877	14,762	170,002	2,950,687
Less: allowance for Uncollectibles	(73,278)	-	-	-	-	- (73,278)
Net total receivables	$ 1,109,452	$ 833,316	$ 749,877	$ 14,762	$ 170,002	$ 2,877,409

Discretely Presented Component Units

Trade receivables from the Laurens County Solid Waste Management Authority, Public Facilities Authority, Development Authority and Public Health Center as of June 30, 2011 are as follows:

	Solid Waste Management Authority	Public Facilities Authority	Development Authority	Public Health Center	Total
Receivables:					
Accounts	$ 173,834	$ -	$ -	$ -	$ 173,834
Interest	7,207	-	2,811	-	10,018
Rent	-	-	17,200	-	17,200
Other	-	-	58,528	757,545	816,073
Gross receivables	181,041	-	78,539	757,545	1,017,125
Less: allowance for Uncollectibles	(17,746)	-	-	-	(17,746)
Net total receivables	$ 163,295	$ -	$ 78,539	$ 757,545	$ 999,379

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Grant drawdowns prior to meeting all eligibility requirements	$ -	$ -

D. Capital Assets

Primary Government

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

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated-				
Land	$ 2,723,324	$ 1,112,131	$ -	$ 3,835,455
Other capital assets:				
Buildings and other improvements	16,848,047	4,689,330	-	21,537,377
Infrastructure	28,336,412	1,462,031	-	29,798,443
Machinery and equipment	17,253,097	329,928	-	17,583,025
Depreciable site improvements	715,402	23,845	-	739,247
Vehicles	8,824,133	280,708	203,031	8,901,810
Total other capital assets at historical cost	71,977,091	6,785,842	203,031	78,559,902
Less accumulated depreciation for:				
Buildings and other improvements	(4,544,771)	(474,058)	-	(5,018,829)
Infrastructure	(18,116,366)	(1,493,466)	-	(19,609,832)
Machinery and equipment	(11,698,309)	(1,036,946)	-	(12,735,255)
Depreciable site improvements	(400,768)	(58,885)	-	(459,653)
Vehicles	(6,312,710)	(663,353)	(196,670)	(6,779,393)
Total accumulated depreciation	(41,072,924)	(3,726,708)	(196,670)	(44,602,962)
Other capital assets, net	30,904,167	3,059,134	6,361	33,956,940
Governmental activities capital assets, net	$ 33,627,491	$ 4,171,265	$ 6,361	$ 37,792,395

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 3,361,896
Public safety	364,812
Total governmental activities depreciation expense	$ 3,726,708

D. Capital Assets (Continued)

Discretely Presented Component Units

Capital asset activity for the Solid Waste Management Authority for the year ended June 30, 2011 was as follows:

	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Land	$ 288,824	$ -	$ -	$ 288,824
Other capital assets:				
Site improvements	6,634,604	6,094	-	6,640,698
Infrastructure	106,162	-	-	106,162
Buildings	246,208	-	-	246,208
Machinery and equipment	2,232,738	61,598	-	2,294,336
Vehicles	129,874	-	-	129,874
Total other capital assets at historical cost	9,349,586	67,692	-	9,417,278
Less accumulated depreciation for:				
Site improvements	(5,560,201)	(307,012)	-	(5,867,213)
Infrastructure	(64,324)	(6,945)	-	(71,269)
Buildings	(151,826)	(3,122)	-	(154,948)
Machinery and equipment	(1,070,074)	(149,677)	-	(1,219,751)
Vehicles	(98,668)	(7,984)	-	(106,652)
Total accumulated depreciation	(6,945,093)	(474,740)	-	(7,419,833)
Other capital assets, net	2,404,493	(407,048)	-	1,997,445
Solid Waste Management Authority capital assets, net	$ 2,693,317	$ (407,048)	$ -	$ 2,286,269

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

	Public Health Center			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ -	$ -	$ -	$ -
Total capital assets not being depreciated	-	-	-	-
Other capital assets:				
Machinery, equipment and furniture	2,191,032	110,756	86,662	2,215,126
Less accumulated depreciation	(1,903,754)	(151,647)	(86,662)	(1,968,739)
Other capital assets, net	287,278	(40,891)	-	246,387
Public Health Center capital assets, net	$ 287,278	$ (40,891)	$ -	$ 246,387

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 4,469,143	$ 113,921	$ 448,089	$ 4,134,975
Other capital assets:				
Buildings	10,514,238	2,098,562	5,312,095	7,300,705
Less accumulated depreciation	(1,300,236)	(187,756)	-	(1,487,992)
Other capital assets, net	9,214,002	1,910,806	5,312,095	5,812,713
Development Authority capital assets, net	$ 13,683,145	$ 2,024,727	$ 5,760,184	$ 9,947,688

E. Interfund Receivables, Payables and Transfers

Generally, outstanding balances between funds reported as due to/from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding and other miscellaneous receivables and payables between funds. Balances to which a fiduciary fund is a party are treated as external receivables and payables. The composition of interfund balances as of June 30, 2011 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Emergency Medical Service	$ 267,987
	Grants Fund	49,266
	Enhanced 911	361,471
	SPLOST	79,576
	Crime Victims Assistance	1,492
SPLOST Fund	Grants Fund	200
Employee Insurance Fund	General Fund	149,495
		$ 909,487

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs. A reconciliation of operating transfers is as follows:

Transfers Out:	General Fund	Emergency Medical Service	Nonmajor Governmental	Employee Insurance	Total
General Fund	$ -	$ 361,981	$ 248,870	$ 1,025,410	$ 1,636,261
Capital Outlay Fund	5,310,000	-	-	-	5,310,000
Total	$ 5,310,000	$ 361,981	$ 248,870	$ 1,025,410	$ 6,946,261

F. Due from Other Governments

Amounts due from other Governmental entities at June 30, 2011 are as follows:

	Federal	State	Other	Total
General Fund	$ -	$ 432,235	$ 57,859	$ 490,094
SPLOST Fund	-	749,877	-	749,877
Victims Assistance	-	18,563	-	18,563
Grants	2,996	-	12,711	15,707
Total	$ 2,996	$ 1,200,675	$ 70,570	$ 1,274,241

G. Long - Term Debt

Primary Government Long – Term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the primary government for the year ended June 30, 2011 was as follows:

Long-term liabilities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Governmental Activities						
Capital leases payable	$ 422,648	$ -	$ 251,017	$ 171,631	$ 171,631	$ -
Capital leases payable	153,017	-	70,623	82,394	70,623	11,771
Capital leases payable	127,852	-	62,413	65,439	65,439	-
Capital leases payable	160,628	-	78,410	82,218	82,218	-
Compensated absences payable	435,681	8,594	-	444,275	444,275	-
Total Governmental Activities	$ 1,299,826	$ 8,594	$ 462,463	$ 845,957	$ 834,186	$ 11,771

Capital leases and compensated absences are generally liquidated by the general fund and are therefore included in the above schedule. Notes payable will be liquidated primarily by special purpose local option sales tax collected and from transfers from the General Fund.

Component Unit Long – Term Liabilities

The Laurens County Public Facilities Authority incurred debt to provide funds for the various building improvement projects of the County. Notes outstanding as of June 30, 2011 are as follows:

Payable from Governmental Funds:	Total	Current	Long-term
Laurens County Public Facilities Authority Revenue Bonds, 2005A Series, issued in the amount of $2,225,000 for various projects. 4.06% interest rate with principle and interest payments due in quarterly installments to October 1, 2020. The bonds are redeemable at par.	$ 1,614,000	$ 142,000	$ 1,472,000

Long-term liability activity for the Laurens County Public Facilities Authority for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Laurens County Public Facillities Authority						
Bonds - Series A	$ 1,751,000	$ -	$ 137,000	$ 1,614,000	$ 142,000	$ 1,472,000

Notes payable debt service requirements to maturity are as follows:

Primary Government Bonds Payable		
Year Ending June 30	Principal	Interest
2012	$ 142,000	$ 64,443
2013	148,000	58,315
2014	154,000	52,151
2015	161,000	45,699
2016	167,000	39,079
2017 - 2021	842,000	84,652
Total	$ 1,614,000	$ 344,339

Long-term liability activity for the Laurens County Solid Waste Management Authority for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Solid Waste Management Authority						
Revenue bonds payable	$ 90,002	$ -	$ 90,002	$ -	$ -	$ -
Capital leases payable	273,829	-	46,323	227,506	51,756	175,750
Accrued closure and post closure costs	5,676,818	447,813	-	6,124,631	30,178	6,094,453
Total Solid Waste Management Authority	$ 6,040,649	$ 447,813	$ 136,325	$ 6,352,137	$ 81,934	$ 6,270,203

Long-term liability activity for the Dublin-Laurens County Development Authority for the year ended June 30, 2011 was as follows:

Dublin - Laurens County Development Authority:	Total	Current	Long-term
Note payable - Bank of Dudley, assignment and deed to secure debt for 95.39 acres of land. 3.67% interest rate, payable at maturity in one in one lump sum, to include all interest. Maturity date is 4/6/12.	$ 330,756	$ 330,756	$ -
Note payable - Morris State Bank, assignment and deed to secure for 13.81 acres of land. 5.64% interest rate, payable in monthly installments of $29,430. Morris Bank has agreed to a reduced monthly installment of $20,000 due to industry closure. Maturity date is 6/10/20.	2,291,612	114,583	2,177,029
Note payable - Morris State Bank, deed to secure debt for 149.68 acres land. 5.94% interest rate, payable in monthly installments of $25,490. Maturity date is 3/15/12.	28,060	28,060	-
Note payable - Farmers State Bank, deed to secure debt for land. 4.80% interest rate, payable in montly installments of $7,790. Maturity date is 4/10/24.	846,469	54,457	792,012
Total	$ 3,496,897	$ 527,856	$ 2,969,041

Long-term liability activity for the Public Health Center for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Public Health Center						
Compensated absences payable	$ 319,014	$ 22,068	$ -	$ 341,082	$ 68,216	$ 272,866

Changes in Long-term Advances to the Primary Government

Long-term advances to the primary government activity for the year ended June 30, 2011 for the Public Facilities Authority was as follows:

Advances to primary government:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Airport Expansion	$ 132,737	$ -	$ 132,737	$ -	$ -	$ -
General Fund	858,227	132,737	51,817	939,147	53,958	885,189
Total	$ 990,964	$ 132,737	$ 184,554	$ 939,147	$ 53,958	$ 885,189

H. Capital Leases

The County has entered into a lease agreement as lessee for financing the acquisition of Enhanced 911 equipment. This lease agreement qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is an analysis of the vehicles and equipment leased under the capital lease as of June 30, 2011:

	SPLOST Governmental Activities
Asset -	
Machinery and Equipment	$ 211,870
Less: Accumulated depreciation	(37,077)
Total	$ 174,793

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

Year Ending June 30,	Governmental Activities
2012	$ 70,623
2013	11,771
Total minimum lease payments	82,394
Less: amount representing interest	-
Present value of minimum lease payments	$ 82,394

The County has entered into a lease agreement as lessee for financing the acquisition of Enhanced 911 equipment. This lease agreement qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is an analysis of the vehicles and equipment leased under the capital lease as of June 30, 2011:

	Governmental Activities
Asset -	
Machinery and Equipment	$ 702,485
Less: Accumulated depreciation	(105,373)
Total	$ 597,112

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

Year Ending June 30,	Governmental Activities
2012	$ 173,592
Less: amount representing interest	(1,961)
Present value of minimum lease payments	$ 171,631

The County has entered into a lease agreement as lessee for financing the acquisition of Public Works equipment. This lease agreement qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is an analysis of the equipment leased under the capital lease as of June 30, 2011:

	SPLOST Governmental Activities
Asset -	
Machinery and Equipment	$ 296,458
Less: Accumulated depreciation	(118,583)
Total	$ 177,875

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

Year Ending June 30,	Governmental Activities
2012	$ 68,190
Less: amount representing interest	(2,751)
Present value of minimum lease payments	$ 65,439

Also, the County has entered into a lease agreement as lessee for financing the acquisition of Public Works equipment. This lease agreement qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is an analysis of the equipment leased under the capital lease as of June 30, 2011:

	SPLOST Governmental Activities
Asset -	
Machinery and Equipment	$ 374,316
Less: Accumulated depreciation	(149,726)
Total	$ 224,590

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

Year Ending June 30,	Governmental Activities
2012	$ 86,099
Less: amount representing interest	(3,881)
Present value of minimum lease payments	$ 82,218

The Laurens County Solid Waste Management Authority has entered into a lease agreement as lessee for financing the acquisition of equipment. This lease agreement qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is an analysis of the equipment leased under the capital lease as of June 30, 2011:

	Solid Waste Management Authority Activities
Asset -	
Machinery and Equipment	$ 470,089
Less: Accumulated depreciation	(123,363)
Total	$ 346,726

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

Year Ending June 30,	Solid Waste Management Authority Activities
2012	$ 60,953
2013	175,000
Total minimum lease payments	235,953
Less: amount representing interest	(8,447)
Present value of minimum lease payments	$ 227,506

I. Short - Term Debt

Short-term liability activity for the primary government for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	$ -	$ 6,560,000	$ 1,250,000	$ 5,310,000

J. Segment Information

Laurens County Solid Waste Management Authority issued bonds to finance the costs of acquiring, constructing, and monitoring the County's landfill. The Authority is accounted for as a component unit. However, investors in the revenue bonds rely on the revenue generated by landfill activities for repayment. Summary financial information for the landfill is presented below and on the following page.

LAURENS COUNTY SOLID WASTE MANAGEMENT AUTHORITY

CONDENSED STATEMENT OF NET ASSETS

Assets	
Cash and cash equivalents	$ 609,633
Accounts and interest receivable	163,295
Capital assets:	
Land and other non-depreciable assets	288,824
Other capital assets, net of depreciation	1,997,445
Prepaid expenses	8,543
Restricted cash - post closure care costs	3,362,757
Total assets	6,430,497
Liabilities	
Accounts payable	23,315
Accrued expenses	17,605
Current portion of accrued closure and post closure costs	30,178
Accrued interest payable	-
Advances from primary government	-
Accrued closure and post closure costs, net of current portion	6,094,453
Long-term obligations:	
Due within one year	51,756
Due in more than one year	175,750
Total liabilities	6,393,057
Net Assets:	
Invested in capital assets, net of related debt	1,922,438
Reserved for post closure costs	3,362,757
Unrestricted	(5,247,755)
Total net assets	$ 37,440

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Landfill charges (pledged against bonds)	$ 1,467,332
Depreciation expense	(474,740)
Other operating expenses	(1,308,023)
Operating loss	(315,431)
Non-operating revenues (expenses):	
Interest income	46,366
Gain on sale of capital assets	-
Interest expense	(15,422)
Non-operating revenue	30,944
Change in net assets	(284,487)
Beginning net assets	321,927
Ending net assets	$ 37,440

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided (used) by:	
Operating activities	$ 569,924
Noncapital financing activities	-
Capital and related financing activities	(220,137)
Investing activities	(746,215)
Net decrease	(396,428)
Beginning cash and cash equivalents	1,006,061
Ending cash and cash equivalents	$ 609,633

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Government carries commercial insurance. The County established a limited risk management program for employee health and dental insurance in 1992. Premiums are paid into the internal service fund on an allocated basis where the County pays 65% of the premiums and the employee pays 35% of the premiums. Premiums are available to pay claims, claims reserve, excess insurance coverage and administrative costs of the program. During the fiscal year 2011, a total of $3,078,089 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of $50,000. Based upon past claims history, claims incurred but not reported is considered to be immaterial and have not been accrued.

The County has joined together with other governments in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Workers' Compensation Self Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments. As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

Settled claims in the current year have not exceeded the coverage.

Claims and Judgments - Description

Significant losses experienced by the County are covered by commercial insurance for all risks except employee health care for which the County retains the risk of loss. For insured risks there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or prior years.

Claims Liabilities

The County records an estimated liability for indemnity health care, torts and other claims against the County. Claim liabilities are based on estimates of the ultimate cost of reportable claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

Unpaid Claim Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claims adjustment expenses.

The following represents the changes in approximate aggregate liabilities for the County from July 1, 2009 to June 30, 2011:

	Health Care	Torts
Liability balance July 1, 2009	$ 209,328	$ -
Claims and changes in estimates	1,878,433	-
Claims payments	(1,795,815)	-
Liability balance June 30, 2010	291,946	-
Claims and changes in estimates	2,642,484	-
Claims payments	(2,586,068)	-
Liability balance June 30, 2011	$ 348,362	$ -
Assets available to pay claims at June 30, 2011	$ 36,070	$ -

B. Defined Benefit Pension Plan

1. Plan Description - The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The Plan does not issue a stand-alone financial report, but the Plan is included in the financial report of the ACCG. A copy of the financial report may be obtained from GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia, 30339.

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement and termination of employment, if certain eligibility conditions are met.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 50% of average annual compensation up to $6,600 plus 1.00% of average annual compensation in excess of $6,600 plus $18.00 for each year of service payable as a life annuity.

Compensation is averaged over a five-year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

County employees are not required to contribute to the Plan. The annual County contribution to the Plan is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statute 47-20. The required contribution for the 2011 plan year was $440,593. This amount represents 6.1% of covered payroll.

Participant counts as of January 1, 2010 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees and beneficiaries currently receiving benefits	81
Terminated plan members entitled to but not yet receiving benefits	181
Active employees participating in the Plan	202
Total	464
Covered compensation for active participants	$ 7,267,107

2. Summary of Significant Accounting Policies - The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and incremental changes in the cash value of pre-retirement life insurance policies owned by the trust. The Plan does not issue stand-alone financial statements.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

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

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2010. The following summarizes the actuarial methods and assumptions used in that valuation.

Valuation date	January 1, 2010
Actuarial cost method	Projected Unit Credit
Asset valuation method	Market value
Amortization method	Level Percent of Pay (Closed)
Remaining amortization period*	10 years
Actuarial assumptions**:	
Investment rate of return	7.75% per annum
Projected salary increases	4.0% - 6.5% per annum based on age
Inflation adjustments	3% per annum
Post-retirement benefit increases	None

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

**....The actuarial assumptions shown above include expected inflation of 3.0% per annum.

3. Contributions - The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the funding standards for state and local Governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time to time, the contribution rates for the County and its plan participants.

4. Annual Pension Cost, Net Pension Obligation and Reserves **-** Current year annual pension costs for the Plan are shown in the trend information provided below. Annual required contributions were made to the Plan. There were no net pension obligations for the Plan.

There are no assets legally reserved for purposes other than the payment of plan member benefits for either plan. There are no long-term contracts for contributions.

5. Trend Information

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
2008	$ 362,262	101.0%
2009	394,969	99.6%
2010	440,593	99.2%

6. Funded Status and Funding Progress

The funded status of the Plan as of January 1, 2010, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date		Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) b-a	Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
2010	*	$ 6,671,166	$ 7,934,183	84.1%	$ 1,263,017	$ 7,267,107	17.4%

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

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. Closure and Post-Closure Care Cost

1. Landfill Related Contingencies

During the year ended June 30, 1995, the County was notified that the old landfill site, closed on January 13, 1995, had been identified as a hazardous waste site. As such, the County will have to comply with prescribed procedures regarding clean-up and additional monitoring. As of June 30, 2011, it was impossible to determine the cost of the related liability as the required procedures to bring the Landfill into compliance with respective laws and regulations have not yet been determined. The County has contributed, under the Hazardous Site Response Act, 50 cents per ton of waste received by the landfill to the State of Georgia Department of Human Resources Superfund. These funds have been earmarked by the State to identify and clean-up hazardous waste sites. Accordingly, it is impractical to determine the extent that the County will fund this liability.

The Georgia Comprehensive Solid Waste Management Act of 1990 includes several mandated reductions and/or changes in solid waste disposal. This Act includes a requirement to reduce solid waste disposal by 25% by July 1, 1996, and requirements for recycling programs among other requirements. The County has elected to participate in the Solid Waste Management Plan developed by the Heart of Georgia Regional Development Center. This plan has a ten-year implementation strategy to fulfill the requirements of the Solid Waste Management Act of 1990.

2. Sanitary Landfill Closure and Post-Closure Care Costs

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

The $6,124,631 reported as landfill closure and post-closure care liability at June 30, 2011, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the old landfill site and 52.7% percent of the estimated capacity of the new landfill site. The landfill closure and post-closure care liability for the old and new landfill sites are $941,430 and $5,183,201, respectively. The estimated remaining life of the new landfill is 33 years. Actual costs for closure and post-closure may differ from the estimate due to inflation, changes in technology, or changes in regulation.

Due to the competitive nature of the market which serves landfill monitoring and care and changes in inflation and technology, the estimated post-closure and closure care costs increased during the fiscal year ended June 30, 2011. The increase was reflected in the operating statement of the landfill.

The Authority plans to finance closure and post-closure care costs through user fees. However, if the user fees are inadequate or additional post-closure care requirements are later determined to be due, these costs will be covered by transfers from the General Fund of Laurens County, Georgia.

D. Contingent Liabilities

Grant Funds

The County participates in numerous grant programs on the federal and state level. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Government expects such amounts, if any, to be immaterial.

E. Joint Venture

Under Georgia law, Laurens County, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Heart of Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. Membership in a 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 the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member Governments are liable for any debts or obligations of a RDC. Separate financial statements may be obtained from:

Heart of Georgia Regional Development Center
501 Oak Street
Eastman, Georgia 31023

F. Conduit Debt Obligations

During the year ended June 30, 2009, the Laurens County Public Facilities Authority entered into an intergovernmental contract with the City of Dublin, Georgia to issue $12,000,000 in revenue bonds to provide funds to acquire construct and equip capital outlay projects of the City. Under the intergovernmental contract, the City has an unconditional obligation to provide sufficient funds for debt service payments and related paying agent or bond registrar fees. The City is authorized to exercise its powers of taxation to the extent necessary to pay the amounts required by the contract. The County and the Authority have no liability for repayment of these bonds and, accordingly, these bonds have not been recorded as a liability on the financial statements of the County or the Authority. As of June 30, 2011, the outstanding balance of these revenue bonds was $5,750,000.

During the year ended June 30, 2009, the Laurens County Public Facilities Authority entered into an intergovernmental contract with the City of Dublin School District to issue $4,500,000 in revenue bonds to provide funds to acquire, construct and equip capital outlay projects of the School District. Under the intergovernmental contract, the School District has an unconditional obligation to provide sufficient funds for debt service payments and related paying agent or bond registrar fees. The School District is authorized to exercise its powers of taxation to the extent necessary to pay the amounts required by the contract. The County and the Authority have no liability for repayment of these bonds and, accordingly, these bonds have not been recorded as a liability on the financial statements of the County or the Authority. As of June 30, 2011, the outstanding balance of these revenue bonds was $4,500,000.

G. Prior Period Adjustment

During the year ended June 30, 2011, a prior period adjustment in the amount of $27,041 was required to record the beginning fund balance of the Judicial Services Fund.

H. Subsequent Events

Subsequent to June 30, 2011, the County voted to borrow up to $3 million on a tax anticipation note due December 31, 2011.

Subsequent to June 30, 2011, the Laurens County Hospital Authority was dissolved upon the execution of a disillusionment agreement. The funds held by the Authority were transferred to a new Permanent Fund created by the County. In addition, subsequent to June 30, 2011, the Permanent Fund loaned a portion of these funds, $5,310,000, to pay off the short-term notes payable. The loan with the Permanent Fund will be repaid from future SPLOST proceeds.

The County performed an evaluation of subsequent events through January 31, 2012, the date upon which the County's financial statements were available for issue. The County has not evaluated subsequent events after this date. Other than the item noted above, no subsequent events were identified that would have required a change to the financial statements or disclosure in the notes to the financial statements.

Required Supplementary Information Other Than Management's Discussion and Analysis

Thigpen, Jones, Seaton & Co., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS
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REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Commissioners
of Laurens County, Georgia

Our audit was made for the purpose of forming opinions on the basic financial statements taken as a whole. Supplementary financial information relating to the defined benefit pension plan and Budgetary Comparison Schedule – General Fund is presented only for purposes of additional analysis and is not a required part of the basic financial statements. This information is prepared, without audit or review, and we do not express an opinion or any other form of assurance on such data.

Thigpen, Jones, Seaton, & Co., P.C.

January 31, 2012
Dublin, Georgia

LAURENS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes Revenues:				
General property taxes	$ 7,363,800	$ 7,363,800	$ 7,578,379	$ 214,579
Local option sales tax	4,850,000	4,850,000	4,662,175	(187,825)
Cable franchise fees	80,000	80,000	107,184	27,184
Financial institution tax	95,000	95,000	92,003	(2,997)
Real estate transfer tax	23,000	23,000	16,217	(6,783)
Other taxes:				
Railroad equipment tax	10,500	10,500	11,071	571
Life insurance premium tax	1,245,000	1,245,000	1,181,477	(63,523)
Intangible personal tax recording	140,000	140,000	106,817	(33,183)
Beer, wine and liquor tax	99,000	99,000	103,411	4,411
Total taxes revenues	13,906,300	13,906,300	13,858,734	(47,566)
Licenses and Permits:				
Alcoholic beverage licenses	15,200	15,200	15,848	648
Building permits	35,000	35,000	28,896	(6,104)
Tower permits	-	-	5,000	5,000
Land disturbance permits	500	500	1,133	633
Total licenses and permits	50,700	50,700	50,877	177
Grant Revenues:				
General:				
GEMA	16,000	16,000	16,230	230
Miscellaneous	-	-	396	396
Public safety:				
Local law enforcement block grant	273,000	273,000	242,032	(30,968)
EMA	-	-	1,210	1,210
Juvenile defenders program	-	-	7,418	7,418
School security	72,595	72,595	55,095	(17,500)
Total grant revenues	361,595	361,595	322,381	(39,214)
Charges for Services:				
Public safety:				
Sheriff - inmate housing and fees	506,000	506,000	583,954	77,954
Miscellaneous reimbursements	295,455	295,455	460,300	164,845
General government:				
Superior Court fees	33,155	33,155	33,159	4
Administration fees	14,400	14,400	14,400	-
Miscellaneous reimbursements	376,000	376,000	480,464	104,464
Public works:				
Garbage contract	14,400	14,400	14,400	-
Miscellaneous reimbursements	138,000	138,000	238,910	100,910
Total charges for services	1,377,410	1,377,410	1,825,587	448,177

LAURENS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Fines and Forfeitures:				
Magistrate Court	$ 298,000	$ 298,000	$ 289,359	$ (8,641)
Superior Court	433,500	433,500	543,694	110,194
Juvenile Court	16,000	16,000	15,998	(2)
Probate Court	2,260,000	2,260,000	1,816,556	(443,444)
Public Defender	2,000	2,000	11,845	9,845
Total fines and forfeitures	3,009,500	3,009,500	2,677,452	(332,048)
Interest Income:				
County treasurer	10,000	10,000	6,245	(3,755)
Airport	30	30	-	(30)
Sheriff	250	250	121	(129)
Tax commissioner	3,500	3,500	3,533	33
Total interest income	13,780	13,780	9,899	(3,881)
Miscellaneous Revenues:				
Rents - county owned buildings	201,655	201,655	198,804	(2,851)
Miscellaneous	88,565	88,565	32,691	(55,874)
Total miscellaneous revenues	290,220	290,220	231,495	(58,725)
Total Revenues	$ 19,009,505	$ 19,009,505	$ 18,976,425	$ (33,080)

LAURENS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
General Government:				
County Administrator	$ 275,790	$ 275,790	$ 277,649	$ (1,859)
County Commissioners	116,095	116,095	113,178	2,917
County Administration	665,940	665,940	746,070	(80,130)
Finance Office	216,930	216,930	214,010	2,920
Purchasing Department	-	-	568	(568)
Elections	206,000	206,000	212,628	(6,628)
Board of Registrars	131,575	131,575	119,469	12,106
Tax Assessor	520,865	520,865	504,257	16,608
Tax Commissioner	439,570	439,570	428,429	11,141
County Attorney	132,025	132,025	130,175	1,850
Data Processing	81,915	81,915	79,834	2,081
Airport	96,325	96,325	92,196	4,129
Courthouse	227,975	227,975	252,615	(24,640)
Other Public Buildings	50,450	50,450	50,388	62
Total general government	3,161,455	3,161,455	3,221,466	(60,011)
Judicial:				
Court Reporter	115,140	115,140	116,539	(1,399)
Superior Court Judge	179,945	179,945	177,163	2,782
Clerk of Superior Court	681,260	681,260	657,294	23,966
District Attorney	688,520	688,520	665,175	23,345
Magistrate Court	192,520	192,520	186,803	5,717
Public Defender	310,455	310,455	291,319	19,136
Probate Judge	303,065	303,065	307,259	(4,194)
Jury administration	122,500	122,500	74,145	48,355
Juvenile prosecutor	-	-	21,550	(21,550)
Juvenile Court	138,575	138,575	131,891	6,684
Total judicial	2,731,980	2,731,980	2,629,138	102,842
Public Safety:				
Sheriff Department	2,569,680	2,569,680	2,661,638	(91,958)
Jail Facility	2,407,235	2,407,235	2,612,666	(205,431)
Drug Task Force	223,210	223,210	226,375	(3,165)
Special Response Team	4,500	4,500	3,050	1,450
Probation	720	720	644	76
Interstate Crime Enforcement Unit	261,885	261,885	277,528	(15,643)
School Security	71,205	71,205	73,574	(2,369)
Rural Fire Department	476,200	476,200	473,594	2,606
Coroner	66,175	66,175	52,446	13,729
Animal Control	162,055	162,055	186,092	(24,037)
Child Abuse Investigator	109,055	109,055	99,112	9,943
D.A.R.E.	2,000	2,000	930	1,070
Courthouse Security	231,585	231,585	240,317	(8,732)
Community Service	8,500	8,500	8,794	(294)
Total public safety	6,594,005	6,594,005	6,916,760	(322,755)

LAURENS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Public Works:				
Maintenance shop	$ 378,145	$ 378,145	$ 397,824	$ (19,679)
Public Works department	2,617,935	2,617,935	2,320,529	297,406
Buiilding inspection	56,760	56,760	58,173	(1,413)
Sanitation department	1,027,220	1,027,220	991,901	35,319
Total public works	4,080,060	4,080,060	3,768,427	311,633
Health and Welfare:				
Health department	166,795	166,795	168,456	(1,661)
Laurens DFCS	5,000	5,000	2,950	2,050
Total health and welfare	171,795	171,795	171,406	389
Conservation of Natural Resources:				
County Agent	56,055	56,055	54,546	1,509
Recreation Authority	600,000	600,000	600,000	-
Laurens County Library	378,455	378,455	378,455	-
Forestry commission	25,710	25,710	45,606	(19,896)
Total conservation of natural resources	1,060,220	1,060,220	1,078,607	(18,387)
Housing and Development:				
Dublin Main Street Program	5,000	5,000	10,000	(5,000)
Heart of Georgia RDC	26,000	26,000	26,072	(72)
Laurens County Development Authority	110,000	110,000	110,000	-
Total housing and development	141,000	141,000	146,072	(5,072)
Debt Service:				
Principal	51,820	51,820	51,817	3
Interest and other charges	80,355	80,355	72,599	7,756
Total Debt Service	132,175	132,175	124,416	7,759

LAURENS COUNTY, GEORGIA

EXHIBIT 13
PAGE 5 OF 5

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Capital Outlay -				
Economic development	$ -	$ -	$ 5,310,000	$ (5,310,000)
Total Expenditures	18,072,690	18,072,690	23,366,292	(5,293,602)
Excess (Deficiency) of Revenues Over (Under) Expenditures	936,815	936,815	(4,389,867)	(5,326,682)
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	-	30,763	30,763
Transfer in	200,000	200,000	5,310,000	5,110,000
Transfers out	(1,136,815)	(1,136,815)	(1,636,261)	(499,446)
Total other financing sources (uses)	(936,815)	(936,815)	3,704,502	4,641,317
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	(685,365)	(685,365)
Fund Balance, Beginning	4,146,739	4,146,739	4,146,739	-
Fund Balance, Ending	$ 4,146,739	$ 4,146,739	$ 3,461,374	$ (685,365)

LAURENS COUNTY, GEORGIA

EXHIBIT 14

REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
FOR THE YEAR ENDED JUNE 30, 2011

I. SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date		Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) b-a	Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
2000		$ 3,278,518	$ 3,703,828	88.5%	$ 425,311	$ 4,533,981	9.4%
2001		3,362,477	3,947,535	85.2%	585,058	4,826,771	12.1%
2002		3,295,710	4,331,156	76.1%	1,035,446	5,035,323	20.6%
2003		3,915,857	4,876,772	80.3%	960,915	5,160,239	18.6%
2004		4,244,146	5,241,500	81.0%	997,354	5,562,518	17.9%
2005		4,774,289	5,705,906	83.7%	931,617	5,527,640	16.9%
2006		5,321,461	5,885,343	90.4%	563,882	5,549,834	10.2%
2007		5,785,623	6,287,832	92.0%	502,209	5,787,263	8.7%
2008		5,737,865	6,773,600	84.7%	1,035,735	6,166,414	16.8%
2009	*	6,219,444	7,146,234	87.0%	926,790	6,128,977	15.1%
2010	*	6,671,166	7,934,183	84.1%	1,263,017	7,267,107	17.4%

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

Other Supplementary Information

Major Governmental Funds:

SPLOST Fund accounts for the special purpose local option sales tax proceeds collected for the acquisition or construction of major capital projects.

2012 SPLOST Fund accounts for the special purpose local option sales tax proceeds collected for the acquisition or construction of major capital projects and payment of County debt.

LAURENS COUNTY, GEORGIA

EXHIBIT 15

SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Sales tax revenues	$ 8,500,000	$ 8,086,799	$ (413,201)
Interest income	8,000	6,826	(1,174)
Grant income	1,260,550	137,096	(1,123,454)
Miscellaneous income	165,000	5,500	(159,500)
Total revenues	9,933,550	8,236,221	(1,697,329)
Expenditures:			
Salaries	348,725	346,673	2,052
Group insurance	21,570	21,570	-
Payroll taxes	26,500	24,791	1,709
Worker's compensation	30,400	27,035	3,365
Prison detail	40,685	42,033	(1,348)
Gasoline and oil	135,000	161,799	(26,799)
Professional services	-	1,238	(1,238)
Interest payments	29,000	22,845	6,155
Principle payments	456,400	462,463	(6,063)
City of Dublin	2,811,800	2,675,113	136,687
City of East Dublin	440,300	418,896	21,404
City of Rentz	17,000	16,174	826
City of Cadwell	17,000	16,174	826
City of Montrose	14,449	13,747	702
City of Dexter	19,550	18,600	950
City of Dudley	18,700	17,791	909
Laurens County Development Authority	340,000	323,472	16,528
Dublin-Laurens County Recreation Authority	195,500	185,996	9,504
Capital outlay	4,970,970	2,275,576	2,695,394
Total expenditures	9,933,550	7,071,986	2,861,564
Excess of Revenues Over Expenditures	-	1,164,235	1,164,235
Fund Balance, Beginning	2,502,804	2,502,804	-
Fund Balance, Ending	$ 2,502,804	$ 3,667,039	$ 1,164,235

LAURENS COUNTY, GEORGIA

EXHIBIT 16

2012 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues	$ -	$ -	$ -
Expenditures	-	-	-
Excess of Revenues Over Expenditures	-	-	-
Other Financing Use -			
Transfer out	-	(5,310,000)	(5,310,000)
Deficiency of Revenues Under Expenditures and Other Financing Use	-	(5,310,000)	(5,310,000)
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	$ -	$ (5,310,000)	$ (5,310,000)

Nonmajor Governmental Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

- ***Grants –*** To account for grant funds that are legally restricted to expenditure for particular purposes.
- ***Confiscated Assets –*** To account for the revenues received that are designated for the purpose of enhancing law enforcement or capital outlay.
- ***Enhanced 911 –*** To account for the activities of the E911 telephone operations center.
- ***Crime Victims Assistance –*** To account for the portion of all state court fines designated to be used for crime victims who have been displaced.
- ***Law Library –*** To account for the law library fees included in all fines which are specifically designated for the County's law library.
- ***Alternative Dispute Resolution –*** To account for the alternative dispute resolution fees included in fines which are specifically designated to provide mediation assistance.
- ***Sheriff Commissary Fund –*** To account for the activities of the inmate canteen operated by the Sheriff's Department.
- ***Judicial Services Fund –*** To account for the revenues received that are designated for the purpose of enhancing judicial services and law enforcement.

LAURENS COUNTY, GEORGIA

EXHIBIT 17

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue								Total Nonmajor Governmental Funds
	Grants	Confiscated Assets	Enhanced 911	Crime Victims Assistance	Law Library	Alternative Dispute Resolution	Sheriff Commissary	Judicial Services	
ASSETS									
Cash	$ 95,888	$ 52,187	$ 257,409	$ 232,937	$ 11,489	$ 99,612	$ 123,585	31,369	$ 904,476
Accounts receivable	-	-	135,027	-	-	-	-	-	135,027
Due from other governments	15,707	-	-	18,563	-	-	-	-	34,270
Accrued interest	-	-	-	684	-	21	-	-	705
Prepaid expenses	741	-	2,019	-	-	-	-	-	2,760
Total Assets	$ 112,336	$ 52,187	$ 394,455	$ 252,184	$ 11,489	$ 99,633	$ 123,585	$ 31,369	$ 1,077,238
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	$ 3,369	$ -	$ 3,348	$ 14,443	$ 2,318	$ 400	$ 12,933	$ 250	$ 37,061
Accrued expenses payable	7,594	-	29,436	780	-	-	-	-	37,810
Deferred revenue	1,578	-	-	-	-	-	-	-	1,578
Due to other funds	49,266	-	361,471	1,492	-	-	-	-	412,229
Total liabilities	61,807	-	394,255	16,715	2,318	400	12,933	250	488,678
Fund Balances:									
Nonspendable for prepaid expenditures	741	-	2,019	-	-	-	-	-	2,760
Restricted for special programs	49,788	52,187	-	235,469	9,171	99,233	110,652	31,119	587,619
Unassigned	-	-	(1,819)	-	-	-	-	-	(1,819)
Total fund balances	50,529	52,187	200	235,469	9,171	99,233	110,652	31,119	588,560
Total Liabilities and Fund Balances	$ 112,336	$ 52,187	$ 394,455	$ 252,184	$ 11,489	$ 99,633	$ 123,585	$ 31,369	$ 1,077,238

LAURENS COUNTY, GEORGIA

EXHIBIT 18

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue								Total
	Grants	Confiscated Assets	Enhanced 911	Crime Victims Assistance	Law Library	Alternative Dispute Resolution	Sheriff Commissary	Judical Services	Nonmajor Governmental Funds
Revenues:									
Charges for services	$ -	$ -	$ 808,121	$ -	$ -	$ -	$ 200,798	$ 17,445	$ 1,026,364
Fines and forfeitures	-	-	-	153,344	40,251	39,013	-	-	232,608
Grant revenue	460,515	-	-	93,328	-	-	-	-	553,843
Contribution revenue	12,692	-	-	-	-	-	-	-	12,692
Interest income	266	112	755	1,541	235	618	233	-	3,760
Other revenues	29,737	29,092	-	-	3,010	-	6	-	61,845
Total revenues	503,210	29,204	808,876	248,213	43,496	39,631	201,037	17,445	1,891,112
Expenditures:									
Salaries and personnel costs	184,829	-	566,290	1,342	3,900	16,000	12,237	-	784,598
Group insurance	25,559	-	65,844	-	-	-	-	-	91,403
Payroll taxes	13,079	-	40,495	-	-	-	-	-	53,574
Worker's compensation	1,372	-	4,887	-	-	-	-	-	6,259
Rental	1,512	-	-	-	-	-	-	-	1,512
Travel	5,147	-	310	4,273	-	-	-	921	10,651
Education and training	12,186	-	3,994	250	-	-	-	-	16,430
Other professional fees	47,993	-	775	246	-	-	-	-	49,014
Contract labor	-	-	-	190,495	-	-	-	-	190,495
Program expenditures	-	-	-	9,620	48,483	32,850	98,594	3,010	192,557
Supplies	7,985	-	8,615	4,159	-	-	10,589	160	31,508
Repairs and maintenance	6,689	-	45,432	-	-	-	1,426	-	53,547
Utilities	12,165	-	219,250	1,638	-	-	2,350	-	235,403
Gas, diesel and oil	10,699	-	477	-	-	-	-	-	11,176
CDBG Block Grant	24,680	-	-	-	-	-	-	-	24,680
Other expenditures	118,559	-	413	527	618	2,904	12,173	1,712	136,906
Capital outlay	33,676	9,447	15,147	1,400	40,930	-	38,979	7,564	147,143
Total expenditures	506,130	9,447	971,929	213,950	93,931	51,754	176,348	13,367	2,036,856
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,920)	19,757	(163,053)	34,263	(50,435)	(12,123)	24,689	4,078	(145,744)
Other Financing Source -									
Transfers in	85,817	-	163,053	-	-	-	-	-	248,870
Excess (Deficiency) of Revenues and Other Financing Source Over (Under) Expenditures	82,897	19,757	-	34,263	(50,435)	(12,123)	24,689	4,078	103,126
Fund Balance, Beginning	(32,368)	32,430	200	201,206	59,606	111,356	85,963	-	458,393
Prior period adjustment	-	-	-	-	-	-	-	27,041	27,041
Fund Balance, Beginning as restated	(32,368)	32,430	200	201,206	59,606	111,356	85,963	27,041	485,434
Fund Balance, Ending	$ 50,529	$ 52,187	$ 200	$ 235,469	$ 9,171	$ 99,233	$ 110,652	$ 31,119	$ 588,560

LAURENS COUNTY, GEORGIA

EXHIBIT 19

BUDGETARY COMPARISON – GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Grant revenues	$ 103,000	$ 460,515	$ 357,515
Contribution revenues	13,000	12,692	(308)
Interest income	625	266	(359)
Miscellaneous income	-	29,737	29,737
Total revenues	116,625	503,210	386,585
Expenditures:			
Salaries	155,000	184,829	(29,829)
Group insurance	20,440	25,559	(5,119)
Payroll taxes	11,860	13,079	(1,219)
Worker's compensation	1,620	1,372	248
Rental expenditures	1,500	1,512	(12)
Travel	2,000	5,147	(3,147)
Education and training	2,000	12,186	(10,186)
Supplies	4,350	7,985	(3,635)
Repairs and maintenance	6,850	6,689	161
Other professional services	6,500	47,993	(41,493)
Utilities	4,810	12,165	(7,355)
Gas and oil	9,690	10,699	(1,009)
Other expenditures	13,705	118,559	(104,854)
CDBG Block Grant	-	24,680	(24,680)
Capital outlay	-	33,676	(33,676)
Total expenditures	240,325	506,130	(265,805)
Deficiency of Revenues Under Expenditures	(123,700)	(2,920)	120,780
Other Financing Source -			
Transfer in	100,330	85,817	(14,513)
Excess of (Deficiency of) Revenues and Other Financing Sources Over (Under) Expenditures	(23,370)	82,897	106,267
Fund Balance, Beginning	(32,368)	(32,368)	-
Fund Balance, Ending	$ (55,738)	$ 50,529	$ 106,267

LAURENS COUNTY, GEORGIA

EXHIBIT 20

BUDGETARY COMPARISON – CONFISCATED ASSETS FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Condemnation revenue	$ 24,900	$ 29,092	$ 4,192
Interest income	100	112	12
Total revenues	25,000	29,204	4,204
Expenditure -			
Capital outlay	25,000	9,447	15,553
Total expenditures	25,000	9,447	15,553
Excess of Revenues Over Expenditure	-	19,757	19,757
Fund Balance, Beginning	32,430	32,430	-
Fund Balance, Ending	$ 32,430	$ 52,187	$ 19,757

LAURENS COUNTY, GEORGIA

EXHIBIT 21

BUDGETARY COMPARISON – ENHANCED 911 FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Operating revenue	$ 830,000	$ 808,121	$ (21,879)
Interest income	1,000	755	(245)
Total revenues	831,000	808,876	(22,124)
Expenditures:			
Salaries	552,000	566,290	(14,290)
Group insurance	65,025	65,844	(819)
Payroll taxes	42,200	40,495	1,705
Worker's compensation	6,500	4,887	1,613
Other professional services	15,500	775	14,725
Pest control	300	300	-
Travel	2,000	310	1,690
Dues and fees	250	-	250
Education and training	4,000	3,994	6
Supplies	9,250	8,615	635
Repairs and maintenance	59,275	45,432	13,843
Miscellaneous expenditures	-	113	(113)
Utilities	225,750	219,250	6,500
Gas and oil	1,500	477	1,023
Uniforms	1,000	-	1,000
Capital outlay	-	15,147	(15,147)
Total expenditures	984,550	971,929	12,621
Deficiency of Revenues Under Expenditures	(153,550)	(163,053)	(9,503)
Other Financing Source -			
Transfer in	153,550	163,053	9,503
Excess of Revenues and Other Financing Source Over Expenditures	-	-	-
Fund Balance, Beginning	200	200	-
Fund Balance, Ending	$ 200	$ 200	$ -

LAURENS COUNTY, GEORGIA

EXHIBIT 22

BUDGETARY COMPARISON – CRIME VICTIMS ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeitures	$ 205,000	$ 153,344	$ (51,656)
Grant revenues	-	93,328	93,328
Interest income	3,500	1,541	(1,959)
Total revenues	208,500	248,213	39,713
Expenditures:			
Salaries	-	1,247	(1,247)
Payroll taxes	-	95	(95)
Other professional services	1,000	246	754
Travel	5,000	4,273	727
Repairs and maintenance	1,000	-	1,000
Education and training	5,500	250	5,250
Contract labor	174,000	190,495	(16,495)
Supplies	7,250	4,159	3,091
Utilities	2,500	1,638	862
Crime victims assistance	5,000	2,120	2,880
Community grants	1,250	7,500	(6,250)
Advertising	2,500	280	2,220
Office expenditures	1,500	247	1,253
Capital outlay	2,000	1,400	600
Total expenditures	208,500	213,950	(5,450)
Excess of Revenues Over Expenditures	-	34,263	34,263
Fund Balance, Beginning	201,206	201,206	-
Fund Balance, Ending	$ 201,206	$ 235,469	$ 34,263

LAURENS COUNTY, GEORGIA

EXHIBIT 23

BUDGETARY COMPARISON – JUDICIAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Condemnation income	$ -	$ 12,495	$ 12,495
Welfare fraud and abuse income	-	4,950	4,950
Total revenues	-	17,445	17,445
Expenditures:			
Supplies	-	160	(160)
Books and periodicals	-	3,010	(3,010)
Travel expenditures	-	921	(921)
Dues and memberships	-	425	(425)
Miscellaneous expenditures	-	1,287	(1,287)
Capital outlay	-	7,564	(7,564)
Total expenditures	-	13,367	(13,367)
Excess of Revenues Over Expenditures	-	4,078	4,078
Fund Balance, Beginning	-	-	-
Prior period adjustment	27,041	27,041	-
Fund Balance, Beginning as restated	27,041	27,041	-
Fund Balance, Ending	$ 27,041	$ 31,119	$ 4,078

Internal Service Funds

LAURENS COUNTY, GEORGIA

EXHIBIT 24

INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF NET ASSETS
JUNE 30, 2011

	Governmental Activities- Internal Service Funds		
	Employee Insurance Fund	**Hospital Authority**	**Total**
Assets:			
Cash	$ 36,070	$ 1,017,780	$ 1,053,850
Investment - State of Georgia Long-term Extended Asset Pool, at market value	-	6,325,830	6,325,830
Accounts receivable	14,762	-	14,762
Due from other funds	149,495	-	149,495
Total Assets	200,327	7,343,610	7,543,937
Liabilities:			
Accounts payable	200,327	-	200,327
Due to primary government	-	143,610	143,610
Total liabilities	200,327	143,610	343,937
Net Assets - Unrestricted	$ -	$ 7,200,000	$ 7,200,000

LAURENS COUNTY, GEORGIA

EXHIBIT 25

INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities- Internal Service Funds		
	Employee Insurance Fund	**Hospital Authority**	**Total**
Operating Revenue - insurance premiums	$ 2,054,284	$ -	$ 2,054,284
Operating Expenses:			
Intergovernmental expenses	-	86,191	86,191
Professional and administrative fees	-	4,474	4,474
Reinsurance premiums	493,728	-	493,728
Employee insurance claims	2,586,068	-	2,586,068
Total operating expenses	3,079,796	90,665	3,170,461
Operating Loss	(1,025,512)	(90,665)	(1,116,177)
Non-operating Revenues (Expenses):			
Interest income	102	158,223	158,325
Unrealized gains (losses) on marketable securities	-	(67,558)	(67,558)
Transfers in	1,025,410	-	1,025,410
Total non-operating revenues	1,025,512	90,665	1,116,177
Change in net assets	-	-	-
Total Net Assets, Beginning	-	7,200,000	7,200,000
Total Net Assets, Ending	$ -	$ 7,200,000	$ 7,200,000

LAURENS COUNTY, GEORGIA

EXHIBIT 26

INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities- Internal Service Funds		
	Employee Insurance Fund	**Hospital Authority**	**Total**
Cash Flows from Operating Activities:			
Receipts from employees	$ 718,999	$ -	$ 718,999
Receipts from primary government	1,368,807	-	1,368,807
Payments to primary government	-	(163,749)	(163,749)
Payments to suppliers	-	(4,820)	(4,820)
Payments to insurance companies	(3,078,089)	-	(3,078,089)
Net cash used in operating activities	(990,283)	(168,569)	(1,158,852)
Cash Flows from Non-Capital and Related Financing Activities -			
Transfers from the primary government	1,025,410	-	1,025,410
Cash Flows from Investing Activities:			
Interest income	102	158,223	158,325
Transfers from investment	-	1,000,000	1,000,000
Net cash provided by investing activities	102	1,158,223	1,158,325
Net increase in cash and cash equivalents	35,229	989,654	1,024,883
Balances - beginning of year	841	28,126	28,967
Balances - end of year	$ 36,070	$ 1,017,780	$ 1,053,850
Reconciliation of operating loss to net cash provided by Operating Activities:			
Operating loss	$ (1,025,512)	$ (90,665)	$ (1,116,177)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Net change in assets and liabilities attributable to operations:			
Accounts receivable	(14,762)	-	(14,762)
Due to other funds	33,522	(77,559)	(44,037)
Accounts payable	16,469	(345)	16,124
Net cash used in operating activities	$ (990,283)	$ (168,569)	$ (1,158,852)

Agency Funds

LAURENS COUNTY, GEORGIA

EXHIBIT 27

AGENCY FUNDS
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	Juvenile Court	Probate Court	Clerk of Superior Court	Sheriff's Office	Tax Commissioner's Office	Clerk of Magistrate Court	Child Support Court	Total Agency Funds
Asset - Cash	$ 4,990	$ 80,275	$ 245,372	$ 309,814	$ 467,032	$ 52,025	$ -	$ 1,159,508
Liabilities:								
Due to other governments	$ -	$ -	$ -	$ -	$ 250,940	$ -	$ -	$ 250,940
Funds held in escrow	4,670	-	15,440	19,834	-	-	-	39,944
Other liabilities	320	80,275	229,932	289,980	216,092	52,025	-	868,624
Total Liabilities	$ 4,990	$ 80,275	$ 245,372	$ 309,814	$ 467,032	$ 52,025	$ -	$ 1,159,508

Single Audit Section

LAURENS COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice:			
ARRA - Rural Law Enforcement	16.810	2009-SD-B9-0157	$ 241,588
ARRA - Pass - through program from Georgia Criminal Justice Coordinating Council	16.803	B82-8-038	3,825
ARRA - Pass - through program from Georgia Criminal Justice Coordinating Council	16.803	B82-8-039	31,646
ARRA - Pass - through program from Georgia Criminal Justice Coordinating Council	16.803	B82-8-041	74,896
ARRA - Pass - through program from Georgia Criminal Justice Coordinating Council	16.803	B82-8-050	23,332
ARRA - Pass - through program from Georgia Criminal Justice Coordinating Council	16.803	B82-8-018	26,662
Total for CFDA program 16.803			160,361
ARRA - Victims of Crime Grant - Pass - through from Georgia Criminal Justice Coordinating Council	16.588	C10-8-109	23,158
ARRA - Stop Violence Against Women Grant - Pass - through from Georgia Criminal Justice Coordinating Council	16.588	2009-EF-S6-33	9,028
Total for CFDA program 16.588			32,186
ARRA - Justice Assistance Grant - Pass - through from City of Dublin, Georgia	16.738	2009-SB-B9-0419	417
Council of Juvenile Court Judges:			
Juvenile Offenders Program	16.523		1,686
Juvenile Offenders Program	16.523		14,887
Total for CFDA program 16.523			16,573
Promoting Safety/Neighborhood Watch	16.753	2009-DD-BX-0009	4,569
Law Enforcement Technology Grant	16.710	2008CKWX0026	136
Total U.S. Department of Justice			455,830
U. S. Department of Transportation:			
Pass-through program from Georgia Department of Transportation - Rehabilitate Taxiway, Apron and Medium Intensity Taxiway Lighting	20.106	AP100-9014-28(175)	127,382
Pass-through program from Georgia Department of Transportation - Taxiway Design Services	20.106	AP011-9017-29	12,131
Total U. S. Department of Transportation			139,513
Federal Emergency Management Agency - 2010 Emergency Management Performance	97.042	GEM10-089E01	6,562
Department of Homeland Security - Firefighters Grant Program	97.044	EMW-2009-FO-0915	17,726
U.S. Department of Agriculture:			
Pass-through program from Georgia Department of Human Resources, Division of Aging	10.570	HGAAAA-2003-10	11,546
Department of Health and Human Services:			
Pass-through program from Georgia Department of Human Resources, Division of Aging	93.667	HGAAAA-2003-10	901
Pass-through program from Georgia Department of Human Resources, Division of Aging	93.045	HGAAAA-2003-10	27,318
Total Department of Health and Human Services			28,219
Total expenditures of federal awards			$ 659,396

LAURENS COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE A – BASIS OF PRESENTATION

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

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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

To the Board of Commissioners of
Laurens County, Georgia

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Laurens County, Georgia, as of and for the year ended June 30, 2011, which collectively comprise Laurens County, Georgia's basic financial statements and have issued our report thereon dated January 31, 2012. We did not audit the financial statements of the Laurens County Public Health Center, which represents 15% and 67%, respectively, of the assets and revenues of the Component Unit column. In addition, we did not audit the financial statements of the Dublin-Laurens County Development Authority, which represents 49% and 21%, respectively, of the assets and revenues of the Component Unit column. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on those financial statements, insofar as it relates to the amounts included for Laurens County, Georgia, was based solely 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. The financial statements of the Laurens County Hospital Authority were not audited in accordance with *Government Auditing Standards* and accordingly this report does not extend to that component unit.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected or corrected on a timely basis. We consider the deficiencies 11-1 and 11-2, described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies 11-3 and 11-4 in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Laurens County, Georgia in a separate letter dated January 31, 2012.

Laurens County, Georgia's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Laurens County, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the audit committee, the Laurens County Board of Commissioners 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.

Thigpen, Jones, Seaton, & Co., P.C.

January 31, 2012
Dublin, Georgia

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Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Commissioners of
Laurens County, Georgia

Compliance

We have audited the compliance of Laurens County, Georgia with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2011. Laurens County, Georgia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of Laurens County, Georgia's management. Our responsibility is to express an opinion on Laurens County, Georgia's compliance based on our audit.

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

In our opinion, Laurens County, Georgia complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which we have described in the accompanying schedule of findings and questioned costs as item 11-5.

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompany Schedule of Findings and Questioned Costs as items 11-1 and 11-5. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. .

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

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

Thigpen, Jones, Seaton, & Co., P.C.

January 31, 2012
Dublin, Georgia

LAURENS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

SECTION I – SCHEDULE OF FINDINGS AND QUESTIONED COSTS

A. – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness (es) identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal Control over major programs:	
Material weakness (es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	Yes

Identification of major programs:

Name of Federal Program or Cluster	*CFDA #*
Rehabilitate Taxiway, Apron and Medium Intensity Taxiway Lighting	20.106
Taxiway Design Services	20.106
ARRA - Rural Law Enforcement	16.810

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

FINDINGS AND QUESTIONED COSTS– FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESSES:

11-1 Cash – General Government Operations (Reiteration of Prior Year)

Condition: There is not appropriate segregation of duties between recording, processing and reconciliation of cash accounts and other operational functions in the various funds processed by the Finance Officer.

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

Effect: Failure to properly segregate duties between recording, processing and reconciliation of accounts can lead to misappropriation of funds that are not detected during the normal course of business.

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

Response: We concur with the recommendation. The Laurens County Board of Commissioners is in the process of reviewing the system in place to evaluate and determine the most efficient and effective solution to properly segregate duties between recording, processing and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

11-2 Account and Transaction Recording (Reiteration of Prior Year)

Condition: Certain audit adjustments were required to fairly state the balances on general ledger accounts at the end of the accounting period.

Criteria: Accounts should be properly adjusted and reconciled to ensure that the financial statements are presented fairly at the end of the accounting period.

Effect: Failure to properly record transactions and reconcile accounts could cause the financial statements to not be fairly stated at the end of the accounting period.

Recommendation: Management should establish policies and procedures to assist the County in fairly stating the balances of accounts at the end of the accounting period.

Response: We concur with the recommendation. We will review procedures in place to ensure that account balances are fairly stated at the end of the accounting period.

SIGNIFICANT DEFICIENCIES:

11-3 Internal Audit Function (Reiteration of Prior Year)

Condition: There is not an internal audit function in place to provide an independent testing of the system of internal controls.

Criteria: Internal controls in place should be adequately reviewed to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

Effect: Failure to properly review and monitor internal controls could lead to misappropriation of funds that are not detected during the normal course of business.

Recommendation: The County should hire, or subcontract, an internal auditor who would assist in establishing and monitoring an enhanced system of internal controls to assist in safeguarding the assets of the County.

Response: We concur with the recommendation. We will review the feasibility of adding an internal audit function.

11-4 Budgeting (Reiteration of Prior Year)

Condition: The County is not properly utilizing the budgeting process. We noted several instances whereby actual current operating expenditures of the General Fund, SPLOST Fund, 2012 SPLOST Fund, Grants Fund, Enhanced 911 Fund, Crime Victims Assistance Fund and the Emergency Medical Services Fund exceeded budgeted expenditures.

Criteria: A comprehensive review of the budgeting and cash flow process is essential in effectively projecting the cash flow needs and to provide for sufficient funding to operate the County in an efficient and effective manner.

Effect: Failure to properly monitor the County's budget could lead to future cash flow problems.

Recommendation: The County should undergo a comprehensive review of the budgeting and cash flow process, so that steps can be taken to project the cash flow needs and to provide for sufficient funding to operate the County in an efficient and effective manner.

Response: We concur with the recommendation. We will continue reviewing the budgeting process in order to provide a better monitoring system of the County's cash flows.

FINDINGS AND QUESTIONED COSTS– SINGLE AUDIT

11-1 Cash – General Government Operations (Reiteration of Prior Year)

Condition: There is not appropriate segregation of duties between recording, processing and reconciliation of cash accounts and other operational functions in the various funds processed by the Finance Officer.

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

Effect: Failure to properly segregate duties between recording, processing and reconciliation of accounts can lead to misappropriation of funds that are not detected during the normal course of business.

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

Response: We concur with the recommendation. The Laurens County Board of Commissioners is in the process of reviewing the system in place to evaluate and determine the most efficient and effective solution to properly segregate duties between recording, processing and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

11-5 Calculation Errors in Rural Law Enforcement Grant Reimbursements

Program: ARRA – Rural Law Enforcement Grant

Condition: Various calculation errors, with a net difference of $3,932.56, were noted in the reimbursement requests submitted by the County.

Criteria: All reimbursement requests charged against the grant should be appropriate and correct.

Effect: Inaccurate grant reimbursement requests may result in the County not receiving the full amount available for the program.

Recommendation: Management should develop a system whereby all reimbursement requests are reviewed, verified and approved by the Finance Officer prior to submission for reimbursement.

Response: We concur with the recommendation. We will contact the granting agency for guidance on how to correct the minor differences. In addition, subsequent requests will be carefully reviewed and verified prior to submission.

STATUS OF PRIOR AUDIT FINDINGS:

10-1 Cash – General Government Operations

Condition: There is not appropriate segregation of duties between recording, processing and reconciliation of cash accounts and other operational functions in the various funds processed by the Finance Officer.

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

Current Status: This finding was not corrected during the year.

10-2 Account and Transaction Recording

Condition: Certain audit adjustments were required to fairly state the balances on general ledger accounts at the end of the accounting period.

Recommendation: Management should establish policies and procedures to assist the County in fairly stating the balances of accounts at the end of the accounting period.

Current Status: This finding was not corrected during the year.

10-3 Internal Audit Function

Condition: There is not an internal audit function in place to provide an independent testing of the system of internal controls.

Recommendation: The County should hire, or subcontract, an internal auditor who would assist in establishing and monitoring an enhanced system of internal controls to assist in safeguarding the assets of the County.

Current Status: This finding was not corrected during the year.

10-4 Budgeting

Condition: The County is not properly utilizing the budgeting process. We noted several instances whereby actual current operating expenditures of the General Fund exceeded budgeted expenditures.

Recommendation: The County should undergo a comprehensive review of the budgeting and cash flow process, so that steps can be taken to project the cash flow needs and to provide for sufficient funding to operate the County in an efficient and effective manner.

Current Status: This finding was not corrected during the year.

10-5 Calculation Errors in Rural Law Enforcement Grant Reimbursements

Program: ARRA – Rural Law Enforcement Grant

Condition: Various calculation errors, with a net difference of $3,932.56, were noted in the reimbursement requests submitted by the County.

Recommendation: Management should develop a system whereby all reimbursement requests are reviewed, verified and approved by the Finance Officer prior to submission for reimbursement.

Current Status: This finding was not corrected during the year.

Other Information

LAURENS COUNTY, GEORGIA

EXHIBIT 28

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
YEAR ENDED JUNE 30, 2011

Project Description Per SPLOST Referendum	Estimated Cost Original	Estimated Cost Current	Prior Years	Expenditures Current Year	Total
Law Enforcement Center Project	$ 6,100,000	$ 6,100,000	$ 6,056,181	$ -	$ 6,056,181
Public Projects - October 2003 - June 2006 SPLOST:					
Georgia State Patrol Office	$ 1,500,000	$ 1,500,000	$ 1,539,235	$ -	$ 1,539,235
Annex Building	2,000,000	2,000,000	2,645,171	4,212	2,649,383
Courthouse Renovations	2,000,000	2,750,000	1,406,194	108,673	1,514,867
Courthouse Debt Repayment *	2,000,000	2,051,184	2,051,194	-	2,051,194
Infrastructure/Economic Development	1,828,000	1,828,000	1,799,904	-	1,799,904
Total Public Projects	$ 9,328,000	$ 10,129,184	$ 9,441,698	$ 112,885	$ 9,554,583
Public Projects - Six Year SPLOST:					
Health Department Building	$ 2,000,000	$ 2,000,000	$ -	$ 12,700	$ 12,700
Recreational Facilities	450,000	450,000	1,166,251	-	1,166,251
EMS Equipment	700,000	700,000	403,939	259,240	663,179
Sheriff Equipment	1,200,000	1,200,000	792,413	193,086	985,499
E911 Equipment	-	175,966	192,467	32,368	224,835
Fire Equipment	1,100,000	1,100,000	556,665	93,912	650,577
Road Improvements	17,712,270	17,712,270	6,990,466	2,043,575	9,034,041
Public Works Equipment	3,000,000	3,000,000	3,123,130	169,762	3,292,892
Airport Improvements	300,000	300,000	1,124,703	146,856	1,271,559
City of Dublin	16,540,740	16,540,740	8,414,544	2,675,113	11,089,657
City of East Dublin	2,591,790	2,591,790	1,317,634	418,896	1,736,530
City of Rentz	97,650	97,650	50,874	16,174	67,048
City of Cadwell	99,600	99,600	50,874	16,174	67,048
City of Montrose	86,550	86,550	43,243	13,747	56,990
City of Dexter	112,950	112,950	58,505	18,600	77,105
City of Dudley	108,650	108,650	55,961	17,791	73,752
Laurens County Development Authority	2,000,000	2,000,001	1,017,478	323,472	1,340,950
Dublin-Laurens County Recreation Authority	1,150,000	1,150,000	585,050	185,996	771,046
Total Public Projects	$ 49,250,200	$ 49,426,167	$ 25,944,197	$ 6,637,462	$ 32,581,659

* Budget increased by $750,000 under new SPLOST

Note: The $321,639 difference in total SPLOST expenditures from the above schedule to the schedule on page 59 relates to the principle payments made on E911 equipment purchased by capital lease during fiscal year ended June 30, 2010. The principle payments have been omitted from the above schedule since the total amount of the equipment cost was included as capital outlay in 2010.

FAMILY CONNECTION
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Grant revenue	$ 45,000	$ 117,191	$ 72,191
Operating revenue	4,000	12,680	8,680
Interest income	450	186	(264)
Total revenues	49,450	130,057	80,607
Expenditures:			
Salaries	43,895	76,775	(32,880)
Group insurance	6,815	11,928	(5,113)
Payroll taxes	3,360	5,377	(2,017)
Worker's compensation	500	538	(38)
Other professional services	6,500	47,993	(41,493)
Insurance	2,000	1,994	6
Travel	2,000	5,147	(3,147)
Education and training	2,000	12,186	(10,186)
Repairs and maintenance	750	264	486
Office expense	2,300	6,208	(3,908)
Telephone	1,200	2,375	(1,175)
Building rental	1,500	1,512	(12)
Capital outlay	-	730	(730)
Total expenditures	72,820	173,027	(100,207)
Deficiency of Revenues Under Expenditures	$ (23,370)	$ (42,970)	$ (19,600)

LAURENS COUNTY, GEORGIA

EXHIBIT 30

FAMILY CONNECTION
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2011

State Program Name	Contract Number	Actual Revenue Received	Current Expenditures	Amount Due To/From State
Family Connection	427-93-11110024-99	$ 42,131	$ 173,027	$ -