OGLETHORPE COUNTY, GEORGIA



ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

OGLETHORPE COUNTY, GEORGIA

AUDIT REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2011

OGLETHORPE COUNTY, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Oglethorpe County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oglethorpe County, Georgia as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Oglethorpe County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Oglethorpe County Board of Health, a component unit. 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 Oglethorpe County Board of Health, is 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oglethorpe County, Georgia as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Major Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2012, on our consideration of Oglethorpe County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The management's discussion and analysis and schedule of funding progress information on pages 3 through 8 and page 52, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oglethorpe County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, and the schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, and the schedule of projects constructed with special sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Macon, Georgia
June 27, 2012

MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2011.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities as of December 31, 2011, by $29,578,094 (net assets).
- As of December 31, 2011, total net assets consisted of $14,978,960 invested in capital assets, $1,901,217 restricted, and $12,697,917 unrestricted.
- As of December 31, 2011, the County's governmental funds reported ending fund balance of $13,415,163 an decrease of $82,352 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods, such as earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through administrative fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation and conservation of natural resources. The County currently has no business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of a government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

For the year ended December 31, 2011, the County had the following governmental funds, the General Fund, five Special Revenue Funds and two Capital Projects Funds.

The County adopts an annual appropriated budget for the General Fund and Special Revenue Funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

Proprietary Funds

The County maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County used the enterprise fund to account for the activities of the Landfill Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds

Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Individual fund data for the fiduciary funds is provided in the form of both combining statements and individual fund statements elsewhere in this report.

The basic fiduciary fund financial statement can be found on page 29 of this report.

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $29,578,094 at the close of the most recent year.

A significant portion of the County's net assets reflects its investment in capital assets. As of December 31, 2011, the investment consists of $20,477,566 in assets and accumulated depreciation of $5,498,606.

An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations.

For the year ended December 31, 2011, capital assets increased $4,511,285. Long-term liabilities increased $80,076 as of December 31, 2011, compared to 2010. The increase in the long-term liabilities is due primarily to an increase in the landfill closure and post-closure costs.

	Governmental Activities		Business-type Activities		Total	
	Net Assets	Net Assets	Net Assets	Net Assets	Net Assets	Net Assets
	2011	2010	2011	2010	2011	2010
Assets						
Current and other assets	$ 14,047,798	$ 14,117,418	$ 2,288,132	$ 2,194,970	$ 16,335,930	$ 16,312,388
Capital assets	14,653,879	10,153,297	325,081	314,378	14,978,960	10,467,675
Noncurrent assets	684,380	684,473	-	-	684,380	684,473
Total assets	29,386,057	24,955,188	2,613,213	2,509,348	31,999,270	27,464,536
Liabilities						
Current and other liabilities	497,269	428,092	45,063	35,032	542,332	463,124
Long-term liabilities	8,464	8,682	1,870,380	1,790,086	1,878,844	1,798,768
Total liabilities	505,733	436,774	1,915,443	1,825,118	2,421,176	2,261,892
Net assets						
Invested in capital assets, net of related debt	14,653,879	10,153,297	325,081	314,378	14,978,960	10,467,675
Restricted	1,901,217	2,378,471	-	-	1,901,217	2,378,471
Unrestricted	12,325,228	11,986,646	372,689	369,852	12,697,917	12,356,498
Total net assets	$ 28,880,324	$ 24,518,414	$ 697,770	$ 684,230	$ 29,578,094	$ 25,202,644

	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues						
Charges for services	$ 1,660,863	$ 1,761,085	$ 281,263	$ 319,969	$ 1,942,126	$ 2,081,054
Operating grants and contribution	25,376	34,092	-	-	25,376	34,092
Capital grants and contributions	4,624,863	2,320,847	-	-	4,624,863	2,320,847
General revenues						
Property taxes	3,205,256	3,344,034	-	-	3,205,256	3,344,034
Other taxes	2,521,033	2,496,138	-	-	2,521,033	2,496,138
Interest revenue	100,029	180,116	23,984	25,989	124,013	206,105
Gain on sale of assets	-	40,787	-	-	-	40,787
Other	44,308	150,717	-	-	44,308	150,717
Total Revenues	12,181,728	10,327,816	305,247	345,958	12,486,975	10,673,774
Expenses						
General government	1,527,584	869,315	-	-	1,527,584	869,315
Public safety	2,542,552	2,477,833	-	-	2,542,552	2,477,833
Public works	1,510,754	1,304,339	-	-	1,510,754	1,304,339
Courts	711,884	648,522	-	-	711,884	648,522
Health and welfare	1,103,234	1,094,476	-	-	1,103,234	1,094,476
Culture and recreation	387,629	602,602	-	-	387,629	602,602
Landfill	-	-	327,888	356,795	327,888	356,795
Total Expenses	7,783,637	6,997,087	327,888	356,795	8,111,525	7,353,882
Increase (decrease) in net assets before transfers	4,398,091	3,330,729	(22,641)	(10,837)	4,375,450	3,319,892
Transfers	(36,181)	64,933	36,181	(64,933)	-	-
Increase (decrease) in net assets	4,361,910	3,395,662	13,540	(75,770)	4,375,450	3,319,892
Net assets beginning of year	24,518,414	21,122,752	684,230	760,000	25,202,644	21,882,752
Net assets ending	$ 28,880,324	$ 24,518,414	$ 697,770	$ 684,230	$ 29,578,094	$25,202,644

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of December 31, 2011, the County's governmental funds reported ending fund balance of $13,415,163. Of this balance, $10,787,432 constitutes unassigned fund balance, which is available for spending at the government's discretion. $40,394 is nonspendable fund balance related to inventory and prepaid items. $1,901,217 is restricted fund balance and the remainder of fund balance of $686,120 is assigned to indicate that it is not available for new spending because $523,854 is assigned to the 2012 budget and $162,266 is assigned for recreational purposes.

The general fund is the operating fund of the County. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 140 percent of total governmental fund expenditures.

The fund balance of the County's governmental funds decreased $82,352 during the current year. The County adopts a budget for the general fund and special revenue funds each year and works diligently to stay within the annual budget.

Proprietary Funds

The activities of the County that render services to the general public on a user charge basis are accounted for in the proprietary funds. The Proprietary Fund statements provide the same type of information found in the government-wide statements, but in more detail.

The Landfill fund accounts for the operation of the County's Landfill. The net assets for the proprietary funds increased by $13,540, primarily due to transfers of the general fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2011 amounts to $14,978,960 net of accumulated depreciation. The investment in capital assets consists primarily of land, buildings, and machinery and equipment. For the current year, the investment in capital assets increased $4,511,285. The net change is primarily the result of capital acquisitions of $713,952, infrastructure of $4,542,856, and depreciation expense of $745,523. See Note 8 in the Notes to the Financial Statements for more detail on capital assets.

	Governmental Activities	Business-Type Activities	Total
Land	$ 987,445	$ 231,160	$ 1,218,605
Construction in progress	195,528	-	195,528
Building	8,561,214	-	8,561,214
Furniture and Fixtures	439,849	17,293	457,142
Machinery and equipment	2,486,204	243,056	2,729,260
Infrastructure	6,309,796	-	6,309,796
Vehicles	1,000,021	-	1,000,021
Land Improvements	6,000	-	6,000
Accumulated depreciation	(5,332,178)	(166,428)	(5,498,606)
Total	$ 14,653,879	$ 325,081	$14,978,960

Long-Term Debt

As of December 31, 2011, the County's long-term debt consisted of compensated absences and landfill closure. See Note 9 in the Notes to the Financial Statements for more detail on long-term liabilities.

ECONOMIC FACTORS

During the year 2011, notable events were as follows:

Revenue sources have been reduced due to the downturn in the economy. Declining collections in property taxes and EMS receivables contribute to the most significant reductions.

The County, the City of Lexington, and the School Board have collectively assisted the City of Crawford in securing a grant to expand sewerage lines to the schools, the City of Lexington, and through the business corridor between Crawford and Lexington.

The County is performing major updates to the Comprehensive Plan in pursuit of a feasibility study to determine the marketing ability of attracting retirees to Oglethorpe County. If successful, retirement communities will have a significant positive economic impact on the County digest and local sales tax.

The County has added Highway 78/State Route 10 to a regional list for widening. The successful completion of this project will improve the County's economic positions and the County continues to seek discretionary state and federal funding to assist with this project and is awaiting results of TSPLOST referendum on funding to determine budgetary and economic impacts.

With economic condition changes the County evaluated the existing retirement plan and have transitioned from a defined benefit plan to a defined contribution plan for new employees to aid in cost containment throughout the future years.

The County continues to evaluate the financial budgetary impacts of HB 386 which replaces property tax and sales tax on vehicles with a new title tax.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ms. Kelly Myers, County Clerk, P.O. Box 261, Lexington, Georgia 30648.

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FINANCIAL STATEMENTS

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Health
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 10,254,093	$ 598,395	$ 10,852,488	$ 145,265
Certificates of deposit	3,015,074	1,736,374	4,751,448	-
Receivables, net of allowance				
Taxes	421,804	-	421,804	-
Accounts	68,601	17,098	85,699	52,452
Accrued interest	16,356	8,028	24,384	-
Due from other governments	159,713	-	159,713	9,323
Interfund	71,763	(71,763)	-	-
Prepaid items	7,746	-	7,746	-
Inventory	32,648	-	32,648	-
Total current assets	14,047,798	2,288,132	16,335,930	207,040
Noncurrent assets:				
Other assets	684,380	-	684,380	-
Nondepreciable assets	1,182,973	231,160	1,414,133	-
Depreciable assets, net	13,470,906	93,921	13,564,827	-
Total noncurrent assets	15,338,259	325,081	15,663,340	-
Total Assets	29,386,057	2,613,213	31,999,270	207,040
LIABILITIES				
Accounts payable	325,493	2,217	327,710	13,904
Accrued salaries and benefits	119,761	6,557	126,318	-
Unearned revenue	4,053	-	4,053	-
Noncurrent liabilities:				
Due within one year	47,962	36,289	84,251	4,512
Due in more than one year	8,464	1,870,380	1,878,844	10,881
Total Liabilities	505,733	1,915,443	2,421,176	29,297
NET ASSETS				
Invested in capital assets	14,653,879	325,081	14,978,960	-
Restricted for				
Program purposes	541,555	-	541,555	-
Capital outlay	1,359,662	-	1,359,662	-
Unrestricted	12,325,228	372,689	12,697,917	177,743
Total Net Assets	$ 28,880,324	$ 697,770	$ 29,578,094	$ 177,743

The notes to the financial statements are an integral part of this statement.

OGLETHORPE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 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	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Board of Health
Primary Government:								
Governmental Activities								
General government	$ 1,527,584	$ 633,828	$ 7,788	$ -	$ (885,968)	$ -	$ (885,968)	
Public safety	2,542,552	658,804	17,588	-	(1,866,160)	-	(1,866,160)	
Public works	1,510,754	49,064	-	4,572,452	3,110,762	-	3,110,762	
Courts	711,884	-	-	-	(711,884)	-	(711,884)	
Health and welfare	1,103,234	155,873	-	-	(947,361)	-	(947,361)	
Culture and recreation	387,629	163,294	-	52,411	(171,924)	-	(171,924)	
Total governmental activities	7,783,637	1,660,863	25,376	4,624,863	(1,472,535)	-	(1,472,535)	
Business-type Activities								
Landfill	327,888	281,263	-	-	-	(46,625)	(46,625)	
Total business-type activities	327,888	281,263	-	-	-	(46,625)	(46,625)	
Total Primary Government	$ 8,111,525	$ 1,942,126	$ 25,376	$ 4,624,863	(1,472,535)	(46,625)	(1,519,160)	
Component Units:								
Board of Health	$ 334,904	$ 107,657	$ 248,760	$ -				$ 21,513
Total Component Units	$ 334,904	$ 107,657	$ 248,760	$ -				21,513
General Revenues								
Property tax					3,205,256	-	3,205,256	-
Sales tax					1,448,576	-	1,448,576	-
Other tax					508,612	-	508,612	-
Insurance premium tax					554,537	-	554,537	-
Real estate transfer tax					9,308	-	9,308	-
Interest revenue					100,029	23,984	124,013	122
Miscellaneous					44,308	-	44,308	-
Total General Revenues					5,870,626	23,984	5,894,610	122
Transfers					(36,181)	36,181	-	-
Total General Revenues and Transfers					5,834,445	60,165	5,894,610	122
Change in Net Assets					4,361,910	13,540	4,375,450	21,635
Net Assets - Beginning of Year, Restated					24,518,414	684,230	25,202,644	156,108
Net Assets - End of Year					$ 28,880,324	$ 697,770	$29,578,094	$ 177,743

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General Fund	2007 SPLOST	E911	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 8,191,092	$ 1,312,633	$ 559,692	$ 190,676	$ 10,254,093
Certificates of deposit	3,000,000	-	-	15,074	3,015,074
Receivables, net of allowance					
Taxes	421,804	-	-	-	421,804
Accounts	26,602	-	41,999	-	68,601
Accrued interest	16,356	-	-	-	16,356
Due from other governments	86,664	73,049	-	-	159,713
Due from other funds	316,659	-	47	1,461	318,167
Prepaid items	-	-	7,746	-	7,746
Inventory	32,648	-	-	-	32,648
Total Assets	$ 12,091,825	$ 1,385,682	$ 609,484	$ 207,211	$ 14,294,202
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 288,664	$ 26,020	$ 688	$ 10,121	$ 325,493
Accrued payroll deductions	109,377	-	10,384	-	119,761
Due to other funds	203	-	246,154	47	246,404
Deferred revenues					
Taxes	183,328	-	-	-	183,328
Other	4,053	-	-	-	4,053
Total Liabilities	585,625	26,020	257,226	10,168	879,039
Fund Balances:					
Nonspendable	32,648	-	7,746	-	40,394
Restricted	-	1,359,662	344,512	197,043	1,901,217
Assigned	686,120	-	-	-	686,120
Unassigned	10,787,432	-	-	-	10,787,432
Total Fund Balances	11,506,200	1,359,662	352,258	197,043	13,415,163
Total Liabilities and Fund Balances	$ 12,091,825	$ 1,385,682	$ 609,484	$ 207,211	$ 14,294,202

The notes to the financial statements are an integral part of this statement.

OGLETHORPE COUNTY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Total Fund Equity per Balance Sheet of Governmental Funds	$ 13,415,163
Amounts reported for governmental activities in the Statement of Net Assets differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:	
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	19,986,057
Accumulated depreciation	(5,332,178)
Net pension asset is not available during the current period and therefore, is not reported in the funds.	
Other assets	684,380
Revenues	
Some of the government's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	183,328
Long-term Liabilities	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Assets. Long-term liabilities at year-end consist of the following:	
Compensated absences	(56,426)
Total Net Assets of Governmental Activities	$ 28,880,324

The notes to the financial statements are an integral part of this statement.

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	General Fund	2007 SPLOST	E911	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 4,794,819	$ 772,164	$ -	$ -	$ 5,566,983
License and permits	55,940	-	-	-	55,940
Intergovernmental revenue	29,684	-	-	62,266	91,950
Charges for services	999,656	-	205,382	-	1,205,038
Fines and forfeitures	571,616	-	-	40,951	612,567
Interest income	98,179	4,102	1,257	593	104,131
Other revenues	44,308	-	-	-	44,308
Total Revenues	6,594,202	776,266	206,639	103,810	7,680,917
Expenditures:					
Current:					
General government	1,519,048	67,133	-	2,957	1,589,138
Courts	583,426	245,503	-	-	828,929
Public safety	1,867,427	10,815	309,328	48,770	2,236,340
Public works	637,872	708,092	-	-	1,345,964
Health and welfare	1,102,797	-	-	-	1,102,797
Culture and recreation	303,754	28,555	-	-	332,309
Intergovernmental	38,232	-	-	-	38,232
Capital Outlay	-	183,705	-	69,674	253,379
Total Expenditures	6,052,556	1,243,803	309,328	121,401	7,727,088
Excess (Deficiency) of Revenues Over (Under) Expenditures	541,646	(467,537)	(102,689)	(17,591)	(46,171)
Other Financing Sources (Uses):					
Transfers from other funds	-	-	102,689	-	102,689
Transfers to other funds	(138,870)	-	-	-	(138,870)
Total other financing sources (uses)	(138,870)	-	102,689	-	(36,181)
Net change in fund balances	402,776	(467,537)	-	(17,591)	(82,352)
Fund Balance, beginning of year	11,103,424	1,827,199	352,258	214,634	13,497,515
Fund Balance, end of year	$ 11,506,200	$ 1,359,662	$ 352,258	$ 197,043	$ 13,415,163

The notes to the financial statements are an integral part of this statement.

OGLETHORPE COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Net Change in Fund Balances - Governmental Funds	$ (82,352)
Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:	
Capital Assets	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.	
Total capital outlays	653,449
Total depreciation	(721,217)
The net effect of various miscellaneous transactions involving capital assets (i.e. donations, annexing) is to increase net assets	4,568,350
Net pension asset is not available during the current period and therefore, is not reported in the funds.	
Other assets	(93)
Long-term Debt	
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:	
Compensated absences	1,457
Revenues	
Because some revenues will not be collected for several months after the government's fiscal year end, they are not considered available revenues and are deferred in the governmental funds. Deferred revenues increased by this amount during the fiscal year.	(57,684)
Change in Net Assets of Governmental Activities	$ 4,361,910

The notes to the financial statements are an integral part of this statement.

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual Revenue	Positive (Negative)
Taxes:				
General property taxes	$ 2,868,864	$ 2,868,864	$ 2,821,367	$ (47,497)
Local option sales tax	660,000	660,000	676,412	16,412
Other taxes:				
Recording intangibles	56,595	56,595	41,991	(14,604)
Timber taxes	23,112	23,112	30,768	7,656
Motor vehicle taxes	303,526	303,526	327,953	24,427
Mobile home taxes	40,000	40,000	30,459	(9,541)
Franchise taxes	3,300	3,300	1,838	(1,462)
Insurance premium taxes	540,000	540,000	554,537	14,537
Alcoholic beverage taxes	65,000	65,000	75,603	10,603
Penalties and interest	-	-	233,891	233,891
Total Taxes	4,560,397	4,560,397	4,794,819	234,422
Licenses and Permits:				
Alcohol beverage license	2,600	2,600	6,735	4,135
Business licenses	24,500	24,500	23,979	(521)
Building permits	25,000	25,000	25,226	226
Total Licenses and Permits	52,100	52,100	55,940	3,840
Intergovernmental Revenues:				
State grants:				
Forestry commission payment in lieu of tax	9,587	9,587	7,788	(1,799)
Real estate transfer tax	10,000	10,000	9,308	(692)
Georgia Emergency Management Agency	-	-	12,588	12,588
Total Intergovernmental Revenue	$ 19,587	$ 19,587	$ 29,684	$ 10,097

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual Revenue	Positive (Negative)
Charges for Services:				
Recreation fees	$ 130,950	$ 130,950	$ 140,904	$ 9,954
Ambulance services	410,000	410,000	377,242	(32,758)
Jail-housing Prisoners State	9,000	9,000	38,831	29,831
Senior citizens client fees	140,000	140,000	155,873	15,873
Recycling	36,000	36,000	49,064	13,064
Civil defense	5,000	5,000	5,000	-
Planning and zoning	24,000	24,000	18,788	(5,212)
Tax Commissioner - commissions	205,947	205,947	207,682	1,735
Subdivision fees	500	500	-	(500)
Other	45	45	6,272	6,227
Total Charges for Services	961,442	961,442	999,656	38,214
Fines and Forfeits:				
Superior Court	130,000	130,000	140,024	10,024
Probate Court	135,000	135,000	125,036	(9,964)
Magistrate Court	31,000	31,000	49,261	18,261
Sheriff Cost and fees	195,000	195,000	240,644	45,644
Probation	7,000	7,000	16,651	9,651
Total Fines and Forfeits	498,000	498,000	571,616	73,616
Miscellaneous:				
Interest	143,257	143,257	98,179	(45,078)
Other revenues	51,400	51,400	44,308	(7,092)
Total Miscellaneous	194,657	194,657	142,487	(52,170)
Total Revenues	$ 6,286,183	$ 6,286,183	$ 6,594,202	$ 308,019

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual Revenue	Positive (Negative)
General Government:				
General Administration:				
Group insurance	$ 380,000	$ 380,000	$ 299,497	$ 80,503
Bonds and insurance	130,000	130,000	122,323	7,677
Workman's compensation	92,000	92,000	107,832	(15,832)
Retirement	170,000	170,000	188,525	(18,525)
Unemployment	20,000	20,000	18,013	1,987
Miscellaneous	-	-	15,520	(15,520)
Contingency	220,000	220,000	-	220,000
Total General Administration	1,012,000	1,012,000	751,710	260,290
Board of Commissioners:				
Personnel	144,154	144,154	148,429	(4,275)
Other	53,500	53,500	49,663	3,837
Information Technology	30,000	30,000	20,047	9,953
Total Board of Commissioners	227,654	227,654	218,139	9,515
Tax Commissioner's Office:				
Personnel	152,825	152,825	145,606	7,219
Other	63,000	63,000	48,810	14,190
Total Tax Commissioner's Office	215,825	215,825	194,416	21,409
Tax Assessors:				
Personnel	22,021	22,021	21,663	358
Other	46,000	46,000	43,824	2,176
Total Tax Assessors	68,021	68,021	65,487	2,534
Tax Equalization Office:	$ 4,200	$ 4,200	$ 793	$ 3,407

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual Revenue	Positive (Negative)
General Government (Continued):				
Tax Appraiser:				
Personnel	$ 78,420	$ 78,420	$ 77,593	$ 827
Other	2,400	2,400	-	2,400
Total Tax Appraiser	80,820	80,820	77,593	3,227
Coroner:				
Personnel	10,953	10,953	10,963	(10)
Other	8,000	8,000	6,944	1,056
Total Coroner	18,953	18,953	17,907	1,046
County Attorney	35,000	35,000	19,926	15,074
Elections	11,895	16,564	16,564	-
Voter Registrar:				
Personnel	13,730	17,195	18,118	(923)
Other	4,800	4,800	3,877	923
Total Voter Registrar	18,530	21,995	21,995	-
Public Buildings:				
Personnel	26,913	27,918	27,363	555
Other	71,000	71,000	71,555	(555)
Total Public Buildings	$ 97,913	$ 98,918	$ 98,918	$ -

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual Revenue	Positive (Negative)
General Government (Continued):				
Cooperative Extension Service:				
Personnel	$ 28,087	$ 28,087	$ 28,357	$ (270)
Other	8,138	8,138	7,243	895
Total Cooperative Extension Service	36,225	36,225	35,600	625
Total General Government	1,827,036	1,836,175	1,519,048	317,127
Courts:				
Superior Court:				
Personnel	84,435	84,435	82,614	1,821
Other	26,700	26,700	23,017	3,683
Total Superior Court	111,135	111,135	105,631	5,504
Probate Court:				
Personnel	135,591	135,591	129,257	6,334
Other	9,985	9,985	7,821	2,164
Total Probate Court	145,576	145,576	137,078	8,498
Magistrate Court:				
Personnel	126,694	133,935	141,274	(7,339)
Other	20,000	20,000	12,661	7,339
Total Magistrate Court	146,694	153,935	153,935	-
Other Judicial:				
Personnel	78,167	78,167	47,215	30,952
Courthouse security	-	-	16,646	(16,646)
Other	139,755	139,755	122,921	16,834
Capital Outlay	6,500	6,500	-	6,500
Total Other Judicial	224,422	224,422	186,782	37,640
Total Courts	$ 627,827	$ 635,068	$ 583,426	$ 51,642

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual Revenue	Positive (Negative)
Public Safety:				
Sheriff's Office:				
Personnel	$ 679,678	$ 679,678	$ 674,804	$ 4,874
Other	165,200	180,269	185,106	(4,837)
Capital Outlay	3,000	3,000	3,037	(37)
Total Sheriff's Office	847,878	862,947	862,947	-
Jail:				
Personnel	559,952	559,952	472,584	87,368
Prisoner	1,000	1,000	135	865
Medical	70,000	70,000	130,978	(60,978)
Other	172,500	172,500	178,543	(6,043)
Total Jail	803,452	803,452	782,240	21,212
Rescue Unit / Civil Defense:				
Personnel	10,296	10,296	6,902	3,394
Other	17,500	17,500	28,434	(10,934)
Total Rescue Unit / Civil Defense	27,796	27,796	35,336	(7,540)
Local Fire Departments:				
County Part	176,089	176,089	149,199	26,890
Total Local Fire Departments	176,089	176,089	149,199	26,890
Animal Shelter	38,000	38,000	37,705	295
Total Public Safety	1,893,215	1,908,284	1,867,427	40,857
Public Works:				
Public Work Camp:				
Personnel	284,119	284,119	235,473	48,646
Other	188,200	188,200	210,412	(22,212)
Capital Outlay	25,000	25,000	21,201	3,799
Total Public Work Camp	$ 497,319	$ 497,319	$ 467,086	$ 30,233

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual Revenue	Positive (Negative)
Code Enforcement Center				
Personnel	$ 31,262	$ 32,992	$ 36,011	$ (3,019)
Other	7,550	7,550	4,531	3,019
Total Code Enforcement Center	38,812	40,542	40,542	-
Recycling				
Personnel	21,530	21,530	21,688	(158)
Other	19,350	19,350	18,538	812
Total Recycling	40,880	40,880	40,226	654
Planning and Zoning				
Personnel	87,385	87,385	74,261	13,124
Other	11,350	11,350	15,757	(4,407)
Total Land Use and Development	98,735	98,735	90,018	8,717
Total Public Works	675,746	677,476	637,872	39,604
Health and Welfare:				
Ambulance Service:				
Personnel	645,706	645,706	614,022	31,684
Other	88,275	88,275	86,006	2,269
Capital Outlay	13,000	13,000	7,678	5,322
Total Ambulance Service	$ 746,981	$ 746,981	$ 707,706	$ 39,275

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Revenue	
Senior Center:				
Personnel	$ 133,785	$ 133,785	$ 129,225	$ 4,560
Other	130,850	140,537	145,097	(4,560)
Total Senior Center	264,635	274,322	274,322	-
Other Health and Welfare:				
Dept of Family and Children Services	8,000	8,000	6,658	1,342
Mental Health	1,940	1,940	1,940	-
Retardation Center	600	600	600	-
Child Development Center	2,250	4,166	4,166	-
Development Authority	25,350	25,350	25,184	166
Board of Health	84,000	84,000	82,221	1,779
Total Other Health and Welfare	122,140	124,056	120,769	3,287
Total Health and Welfare	1,133,756	1,145,359	1,102,797	42,562
Culture and Recreation:				
Library:				
Personnel	55,281	55,281	55,281	-
Other	19,000	24,786	20,137	4,649
Total Library	74,281	80,067	75,418	4,649
Recreation Department:				
Personnel	102,961	102,961	82,035	20,926
Other	134,689	134,689	137,543	(2,854)
Capital Outlay	-	-	8,758	(8,758)
Total Recreation Department	237,650	237,650	228,336	9,314
Total Culture and Recreation	$ 311,931	$ 317,717	$ 303,754	$ 13,963

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual Revenue	Positive (Negative)
Payments to Other Government Agencies:				
State Forestry Commission	$ 23,062	$ 23,062	$ 23,061	$ 1
Northeast Georgia Regional Commission	14,000	14,000	14,899	(899)
Northeast Georgia Solid Waste Authority	1,000	1,000	272	728
Total Payments to Other Government Agencies	38,062	38,062	38,232	(170)
Total Current Expenditures	6,507,573	6,558,141	6,052,556	505,585
Debt Service				
Principal	1,000	1,000	-	1,000
Total Debt Service	1,000	1,000	-	1,000
Total Expenditures	6,508,573	6,559,141	6,052,556	506,585
Excess (Deficiency) of Revenues Over (Under) Expenditures	(222,390)	(272,958)	541,646	814,604
Other Financing Sources (Uses):				
Transfers to E911 Fund	(141,722)	(141,722)	(102,689)	39,033
Transfers to Landfill Fund	65,000	(36,181)	(36,181)	-
Total Other Financing Uses	(76,722)	(177,903)	(138,870)	39,033
Net Change in fund balance	(299,112)	(450,861)	402,776	853,637
Fund Balance, beginning of year	299,112	450,861	11,103,424	10,652,563
Fund Balance, end of year	$ -	$ -	$ 11,506,200	$ 11,506,200

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	E911 Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Subscriber fees	$ 198,400	$ 198,400	$ 205,382	$ 6,982
Interest income	3,000	3,000	1,257	(1,743)
Total Revenues	201,400	201,400	206,639	5,239
Expenditures:				
Current:				
Public safety	343,122	343,122	309,328	33,794
Total Expenditures	343,122	343,122	309,328	33,794
Excess (Deficiency) of Revenues Over (Under) Expenditures	(141,722)	(141,722)	(102,689)	39,033
Other Financing Sources (Uses):				
Transfers from General Fund	141,722	141,722	102,689	(39,033)
Total Other Financing Sources (Uses)	141,722	141,722	102,689	(39,033)
Net change in fund balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	352,258	352,258
Fund Balance - End of Year	$ -	$ -	$ 352,258	$ 352,258

The notes to the financial statements are an integral part of this statement

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds
	Landfill Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 598,395
Certificates of deposit	1,736,374
Accounts receivable (net of allowance for uncollectibles)	17,098
Accrued interest	8,028
Total current assets	2,359,895
Noncurrent assets:	
Capital assets:	
Nondepreciable	231,160
Depreciable, net	93,921
Total capital assets	325,081
Total noncurrent assets	325,081
Total assets	2,684,976
LIABILITIES	
Current liabilities:	
Accounts payable	2,217
Accrued liabilities	6,557
Due to other funds	71,763
Compensated absences	5,689
Current portion of post-closure costs	30,600
Total current liabilities	116,826
Noncurrent liabilities	
Post-closure costs	1,870,380
Total noncurrent liabilities	1,870,380
Total liabilities	1,987,206
NET ASSETS	
Invested in capital assets	325,081
Unrestricted	372,689
Total net assets	$ 697,770

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds
	Landfill Fund
Operating Revenues:	
Charges for services	$ 281,263
Total operating revenues	281,263
Operating Expenses:	
Personal services	95,653
Purchased services	48,108
Landfill closure and postclosure	102,546
Materials and supplies	57,275
Depreciation	24,306
Total Operating Expenses	327,888
Operating Income (Loss)	(46,625)
Non-Operating Revenues (Expenses):	
Interest revenue	23,984
Total Non-Operating Revenues (Expenses)	23,984
Net Income (Loss) before Contributions and Transfers	(22,641)
Transfers in	36,181
Change in net assets	13,540
Net assets - beginning of year	684,230
Net assets - end of year	$ 697,770

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds
	Landfill Fund
Cash Flows from Operating Activities:	
Cash received from customers	$ 288,350
Cash paid to suppliers for good and services	(143,581)
Cash paid to employees	(87,839)
Net Cash Provided by (Used for) Operating Activities	56,930
Cash Flows from Noncapital Financing Activities:	
Transfer from General Fund	36,181
Net Cash Provided by (Used for) Noncapital Financing Activities	36,181
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of assets	(35,009)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(35,009)
Cash Flows from Investing Activities:	
Interest received	34,879
Net Cash Provided by (Used for) Investing Activities	34,879
Net Increase (Decrease) in Cash and Cash Equivalents	92,981
Cash and Cash Equivalents - Beginning of Year	2,241,788
Cash and Cash Equivalents - End of Year	$ 2,334,769
Reconciliation of Cash Equivalents	
Cash and cash equivalents	$ 598,395
Certificates of deposit	1,736,374
Total cash and cash equivalents	$ 2,334,769

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	Business-type Activities - Enterprise Funds Landfill Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Operating Income (Loss)	$ (46,625)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation	24,306
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivables	7,087
Increase (decrease) in accounts payable	2,217
Increase (decrease) in accrued liabilities	3,831
Increase (decrease) in due to other funds	(18,163)
Increase (decrease) in compensated absences	3,983
Increase (decrease) in postclosure costs	80,294
Total adjustments	103,555
Net Cash Provided by (Used for) Operating Activities	$ 56,930

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2011

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 621,893
Total Assets	$ 621,893
LIABILITIES	
Due to other governments	$ 515,934
Funds held in escrow	81,694
Due to others	24,265
Total Liabilities	$ 621,893

The notes to the financial statements are an integral part of this statement

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

Oglethorpe County was established under the provisions of an Act of the General Assembly of Georgia. The County operates under a county commissioner form of government, and provides the following services as authorized by state law, general administrative services, public safety, roads and bridges, courts and health and welfare.

The accounting policies of Oglethorpe County, Georgia conform to generally accepted accounting principles as applicable to governments. The following is a summary of the County's more significant policies applied in the preparation of the accompanying financial statements.

A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Oglethorpe County (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component unit discussed below is included in the County's reporting entity because of the significance of its operational and financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity*, which was adopted by the County as of October 1, 1995, the financial statements of the component unit have been included as a discretely presented component unit. The component unit column in the combined financial statements includes the financial data for the County's component unit, as reflected in their most recent audited financial statements for June 30, 2010. This audit is reported in a column separate from the County's financial information to emphasize that it is legally separate from the County.

Oglethorpe County Board of Health

The governing board of the Board of Health consists of members appointed by the County Commissioners. The County, by virtue of its appointments, controls a majority of the governing body positions. The Board submits all operating budgets to the County each year. The County provides significant funding to the Board, based upon the approved budgets. The Board operates on a fiscal year ending June 30th.

Complete financial statements of the individual component unit can be obtained from the Oglethorpe County clerk.

Oglethorpe County, Georgia
P.O. Box 261
Lexington, Georgia 30648

Oglethorpe County Law Library (Blended Component Unit)

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

A joint venture has the following characteristics:

- It is a legal entity that results from a contractual agreement
- It is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control
- Participants retain an ongoing financial interest or an ongoing financial responsibility

The following agency is a joint venture with four other counties: Elbert, Franklin, Hart, and Madison.

Office of the Public Defender – Northern Judicial Circuit – The office is responsible for providing legal representation to indigent citizens. Oglethorpe County provides 12% of the budget; each of the other four counties provides 22%. The office submits annual budget requests to the counties. Total equity interest in the net assets of the joint venture as of June 30, 2011, was $0.

Complete financial statements can be obtained from the Franklin County Clerk:

Franklin County, Georgia
P.O. Box 151
Carnesville, Georgia 30521

Under Georgia law, the County, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Northeast Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended December 31, 2011, the county paid $13,609 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Council membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Assets and Statement of Change in Net Assets) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, 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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in the government-wide 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 government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under 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 are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the County's enterprise funds is charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

2007 Special Purpose Local Option Sales Tax – is used to account for the various budgeted roads, streets and bridges projects, public safety projects and infrastructure projects.

E911 – is used to account for the E-911 fees collected and disbursements for the operation of the E-911 call center.

The government reports the following major proprietary fund:

Landfill Fund – is used to account for the revenues and expenses associated with operating the County landfill.

Additionally, the government reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Agency Funds – Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

E. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables, have been reduced to their estimated net realizable value, and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

F. Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased. Inventory in the General Fund consists of fuel, which is priced at cost using the First-In-First-Out method.

G. Prepaid Items

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

H. Capital Assets

Capital assets, which include property, plant; equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items acquired subsequent to January 1, 2003) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the County during the current fiscal year was $0. Of this amount, none was applicable to construction of capital assets.

Property, plant and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Building	39 years
Equipment	5-25 years
Infrastructure	50 years
Furniture	5 years
Vehicles	5 years

I. Compensated Absences

It is the County'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 financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. 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.

K. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance in accordance with Governmental Accounting Standards Board Statement No. 54:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council. The Council approves committed resources through a motion and vote during the voting session of Council meetings.
- Assigned – amounts that are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board has authorized the County Clerk to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

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

- Committed
- Assigned
- Unassigned

The County does not have a formal minimum fund balance policy. The following is a summary of the fund balance classifications as of December 31, 2011:

Fund Balances	General Fund	2007 SPLOST	E911	Nonmajor Governmental	Total
Nonspendable:					
Prepaids	$ -	$ -	$ 7,746	$ -	$ 7,746
Inventory	32,648	-	-	-	32,648
Restricted for:					
Public Safety	-	-	344,512	197,043	541,555
Capital outlay	-	1,359,662	-	-	1,359,662
Assigned for:					
Fund balance appropriation	523,854	-	-	-	523,854
Recreation	162,266	-	-	-	162,266
Unassigned	10,787,432	-	-	-	10,787,432
Total fund balances	$ 11,506,200	$ 1,359,662	$ 352,258	$ 197,043	$ 13,415,163

L. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The County purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverage's for each of the past three fiscal years. The County had no significant reduction in insurance coverage from coverage in the prior year.

The County has joined together with other municipalities in the state as part of the ACCG Group Self Insurance Workers' Compensation Self Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings, which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability. The Fund is 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. For the year ending December 31, 2011, the County's total contribution was $0 for the Workers Compensation Fund.

The County is a member of the ACCG Interlocal Risk Management Agency (ACCG-IRMA). This agency functions as a risk sharing arrangement among Georgia County governments and is administered by the Association of County Commissioners of Georgia (ACCG). The purpose of ACCG-IRMA is to establish and administer one or more group self-insurance funds; to establish and administer a risk management service; and to prevent or lessen the incidence or severity of casualty and property losses. Each member pays an annual contribution established by the Board of ACCG-IRMA. For the period December 1, 2010 - December 1, 2011, the County's total contribution was $122,323. ACCG-IRMA may develop and issue such self-insurance coverage descriptions, as it deems necessary. The current coverage provides a $3,000,000 general liability limit with a $1,000 per occurrence deductible.

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

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budget Process

The annual budget document is the financial plan for the operation of Oglethorpe County. The budget process exists for the purpose of providing 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 County.

The County prepares a separately issued budget report. An annual operating budget is prepared for the General and Special Revenue funds. Prior to year end the Clerk of the

County Commissioners submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Oglethorpe County. The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting before the year to which it applies. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same. The legal level of control is at the department level.

Formal budgetary integration is employed as a management control device during the year. The budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund is subject to budgetary control on a departmental basis, while the Special Revenue funds are subject to budgetary control on an individual fund basis. Budgets are prepared for the Capital Projects Funds on a project basis, which usually covers two or more fiscal years. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. Individual amendments are not material in relation to the original appropriations.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to serve that portion of the applicable appropriation, is not employed by the County. Budget to Generally Accepted Accounting Principal Basis reconciliations are not required.

C. Excess of Expenditures Over Appropriations

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

Rescue Unit/Civil Defense	$	7,540
Northeast Georgia Regional Commission		899

NOTE 3 – DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. The County's bank balances of deposits as of December 31, 2011 are entirely insured or collateralized with securities held by the County's agent in the County's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

At December 31, 2011, the County's investments in certificates of deposit were as follows:

Investment	Maturity	Amount
Certificates of deposit – General Fund	12 months	$ 3,000,000
Certificates of deposit – Nonmajor Governmental	12 months	15,074
Certificates of deposit – Landfill Fund	12 months	1,736,374
		$ 4,751,448

At June 30, 2011, the carrying amount of deposits for the Oglethorpe County Board of Health, a discretely presented component unit, was $145,265, and the bank balance was $149,857. All of the bank balance was covered by federal depository insurance or by collateral held.

NOTE 4 – PROPERTY TAXES

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

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is turned over to the 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. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The Oglethorpe County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes are due based upon the birthday of the owner. The 2011 property taxes were mailed (levied) as of October 20 with a due date of December 20.

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

The tax billing cycle for 2011 is as follows:

Assessment Date	January 1, 2011
Levy Date	October 20, 2011
Due Date and Collection Date	December 20, 2011
Tax Execution Date/Lien Date	December 21, 2011

NOTE 5 – OTHER RECEIVABLES

Receivables at December 31, 2011, consist of the following:

	General Fund	E911	Landfill Fund	Total
Receivables:				
Taxes	$ 521,505	$ -	$ -	$ 521,505
Landfill	-	-	54,759	54,759
Accounts	253,865	41,999	-	295,864
Other	17,669	-	8,028	25,697
Gross Receivables	793,039	41,999	62,787	897,825
Less: Allowance for uncollectibles	(328,277)	-	(37,661)	(365,938)
Net Total Receivables	$ 464,762	$ 41,999	$ 25,126	$ 531,887

The accounts receivable balance in the General Fund is made up of the uncollected billings for EMS charges as of December 31, 2011. The County has estimated an allowance for uncollectibles against these receivables based on the historical collection rates of the EMS charges.

NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at December 31, 2011, are as follows:

	Federal	State	Total
Fund:			
General	$ 22,674	$ 63,990	$ 86,664
SPLOST	-	73,049	73,049
Total	$ 22,674	$ 137,039	$ 159,713

The amounts due from other government are primarily for sales tax and grant funds.

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2011, were as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Landfill Fund	$ 71,763
General Fund	E911 Fund	244,896
Nonmajor governmental fund	E911 Fund	1,258
Nonmajor governmental fund	General Fund	203
E911 Fund	Nonmajor governmental fund	47
Total		$ 318,167

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

Interfund transfers:

	E911 Fund	Landfill Fund	Total
Transfer out:			
General fund	$ 102,689	$ 36,181	$ 138,870
Total	$ 102,689	$ 36,181	$ 138,870

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching fund for various grant programs.

NOTE 8 – CAPITAL ASSETS

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

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 954,876	$ 32,569	$ -	$ 987,445
Construction in progress	-	195,528	-	195,528
Total capital assets, not being depreciated	954,876	228,097	-	1,182,973
Capital assets, being depreciated:				
Buildings	8,554,234	6,980	-	8,561,214
Furniture and Fixtures	388,781	51,068	-	439,849
Machinery and equipment	2,308,111	178,093	-	2,486,204
Infrastructure	1,766,940	4,542,856	-	6,309,796
Vehicles	822,024	214,705	(36,708)	1,000,021
Land improvements	6,000	-	-	6,000
Total capital assets being depreciated	13,846,090	4,993,702	(36,708)	18,803,084
Less accumulated depreciation for:				
Buildings	(1,989,175)	(189,667)	-	(2,178,842)
Furniture and Fixtures	(269,017)	(55,161)	-	(324,178)
Machinery and equipment	(1,786,154)	(133,295)	-	(1,919,449)
Infrastructure	(44,174)	(207,454)	-	(251,628)
Vehicles	(558,949)	(135,240)	36,708	(657,481)
Land improvements	(200)	(400)	-	(600)
Total accumulated depreciation	(4,647,669)	(721,217)	36,708	(5,332,178)
Total capital assets, being depreciated, net	9,198,421	4,272,485	-	13,470,906
Governmental activities capital assets, net	$ 10,153,297	$ 4,500,582	$ -	$ 14,653,879

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

Governmental activities:	
General government	$ 30,103
Public safety	317,200
Public works	331,564
Courts	1,614
Health and welfare	31,437
Recreation	9,299
Total depreciation expense - governmental activities	$ 721,217

	Beginning Balance	Increase	Decrease	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 231,160	$ -	$ -	$ 231,160
Total capital assets, not being depreciated	231,160	-	-	231,160
Capital assets, being depreciated:				
Furniture and Fixtures	17,293	-	-	17,293
Machinery and equipment	208,047	35,009	-	243,056
Total capital assets being depreciated	225,340	35,009	-	260,349
Less accumulated depreciation for:				
Furniture and Fixtures	(17,293)	-	-	(17,293)
Machinery and equipment	(124,829)	(24,306)	-	(149,135)
Total accumulated depreciation	(142,122)	(24,306)	-	(166,428)
Total capital assets, being depreciated, net	83,218	10,703	-	93,921
Business-type activities capital assets, net	$ 314,378	$ 10,703	$ -	$ 325,081

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

Business-type activities:	
Landfill	$ 24,306
Total depreciation expense - business-type activities	$ 24,306

	Beginning Balance	Increase	Decrease	Ending Balance
Component Unit activities:				
Capital assets, being depreciated:				
Equipment	$ 10,576	$ -	$ -	$ 10,576
Total capital assets being depreciated	10,576	-	-	10,576
Less accumulated depreciation for:				
Equipment	(10,576)	-	-	(10,576)
Total accumulated depreciation	(10,576)	-	-	(10,576)
Total capital assets, being depreciated, net	-	-	-	-
Component Unit activities capital assets, net	$ -	$ -	$ -	$ -

NOTE 9 – LONG-TERM DEBT

Changes in Long-term Liability

Long-term liability activity for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 57,883	$ 50,099	$ (51,556)	$ 56,426	$ 47,962
Governmental activity Long-term liabilities	$ 57,883	$ 50,099	$ (51,556)	$ 56,426	$ 47,962

For the governmental activities, compensated absences are generally liquidated by the general fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Compensated absences	$ 1,706	$ 6,631	$ (2,648)	$ 5,689	$ 5,689
Landfill closure	1,820,686	80,294	-	1,900,980	30,600
Business-type activity Long-term liabilities	$ 1,822,392	$ 86,925	$ (2,648)	$ 1,906,669	$ 36,289

NOTE 10 – COMMITMENTS

The County is leasing office space on a month-to-month basis.

Landfill Closure Costs

Under state and federal laws and regulations, the County was required to place a final cover upon closing the landfill from receiving solid waste and to continue to perform various maintenance and monitoring functions at the landfill site for a period of 25 years after closure. This is in addition to the normal operating expenses related to the current activities of the landfill.

The current County landfill activities are to receive inert material and construction/demolition debris. The current operation of the landfill is to fulfill an agreement with Athens-Clarke County in which the County is allowed to transport solid waste materials from Oglethorpe County to the Athens-Clark County landfill. County management is of the opinion that the only additional costs to be associated with final landfill closure will be monitoring and maintenance of solid waste materials. The County has estimated the closure and post closure costs associated with the landfill to be $2,624,194. The County has no responsibility for closure costs associated with Athens-Clarke County landfill. The percentage of landfill capacity used as of December 31,

2011, is 47%, and the estimated remaining landfill life is 15 years. As of December 31, 2011, the County had recorded a liability for closure and post closure costs totaling $1,900,980.

The County is of the opinion that costs associated with the landfill closure can be provided from General Fund revenues without impairing County operations. Management estimates are based on the assumption that costs associated with solid waste closures have been incurred and that closure costs associated with solid operations are nominal. However, actual costs may vary due to inflation or deflation, changes in technology, or changes in landfill laws and regulations. Theses costs may have to be covered by increased landfill fees, additional taxes or both.

NOTE 11 – EMPLOYEE RETIREMENT PLANS

A. ACCG Defined Benefit Plan

Plan Description:

The County contributes to the Association 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.

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

Government Employee Benefits Corporation of Georgia
3625 Cumberland Boulevard, Suite 825
Atlanta, Georgia 30339

Participation:

All full-time County employees are eligible to participate in the Plan after completing three years of service.

Retirement Benefits:

Benefits vest after five years of service. Participants become eligible to retire at age 65 with 3 years in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 0.5% of average annual compensation up to $6,600 plus 1.0% of average annual compensation in excess of $6,600 plus $36 for each year of service payable as a life annuity. Service is limited to 35 years. Compensation is averaged over a five-year period prior to retirement or termination. 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.

Funded Status and Funding Progress:

The funded status of the plan as of December 31, 2010, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/10	$2,027,713	$2,055,283	$27,570	98.7%	$1,352,340	2.0%

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.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2010.

Actuarial Assumptions:

1. Rate of return on the investment of present and future assets of 7.75% per year.
2. Projected salary increases of 4.0% to 6.5% per year.
3. Life expectancies before and after retirement based on the 1983 Group Annuity Mortality Table, with a two-year age set back.
4. Postretirement benefit increases - none.
5. Inflation rate assumption of 3.0% per year.
6. Actuarial Value of assets – Market Value.

There were no current year changes in actuarial assumptions or benefit provisions.

Contributions Required and Contributions Made:

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report. Contributions were made in accordance with actuarially determined contribution requirements. Contributions made during a particular year are attributable to the prior Plan year.

ACCG Plan funding policy provides for making required actuarially determined periodic contributions under the "Projected Unit Credit" actuarial cost method. This cost method determines plan liabilities consistent with the standardized measure of pension obligation

described by Statement No. 5 of the Governmental Accounting Standards Board (GASB #5). In addition, this cost method determines contributions at rates that, for individual employees, increase gradually as an employee gets older, and enables sufficient assets to accumulate when benefits become due. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The weighted average remaining amortization period as of January 1, 2011, was 20 years.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation.

Contributions totaling $188,525, ($188,525 employer and $-0- employee), were made in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2011.

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.

Actuarial Reports:

The County's practice is to have an actuarial valuation performed every year on the pension plan, and to base the succeeding year's contributions on the result of the valuation. The actuarial valuation is performed as of January 1 every year. This recent valuation was performed as of January 1, 2011, based upon employee data as of January 1, 2011, and based upon available pension assets as of December 31, 2010.

Current Plan Membership and Payroll:

Employee membership data related to the plan membership as of January 1, 2011, is as follows:

Retirees and beneficiaries currently receiving benefits	21
Terminated employees entitled to benefits but not yet receiving them	32
Disabled in pay status	3
Current active employees	54
Total Membership in the plan	110

The County's covered payroll as of January 1, 2011, (the most recent actuarial valuation date) was $1,352,340. Total payroll was $3,266,241.

Summary of Plan Asset Matters and 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 increments in the cash value of death benefits.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 45% equities and 55% fixed income securities.

Plan assets do not include any loans, notes, bonds or other instruments or securities of the County or related parties.

Derivation of Annual Pension Cost:

Annual required contribution	$	184,906
Interest on Net Pension Obligation		(53,047)
Amortization of Net Pension Obligation		56,759
Annual Pension Cost	$	188,618

Derivation of Net Pension Obligation:

Annual Pension Cost for Current Year	$	188,618
Actual Contributions to Plan for Current Year		188,525
Increase in Net Pension Obligation/(Asset)		93
Net Pension Obligation/(Asset), as of December 31, 2010		(684,473)
Net Pension Obligation/(Asset), as of December 31, 2011	$	(684,380)

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

Historical Trend Information:

Historical trend information is designed to provide information about a public employee retirement system's progress made in accumulating sufficient assets to pay benefits when due. More detailed information regarding the plan is available in Oglethorpe County, Georgia Retirement Plan's actuarial report for the plan year beginning January 1, 2009, which can be obtained from the plan administrator, the Association County Commissioners of Georgia.

Net Pension Obligation:

Fiscal Year Ending	Annual Pension Cost (APC)	Annual County Contribution	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
2011	$ 188,618	$ 188,525	100%	$ (684,380)
2010	171,134	174,032	102%	(684,473)
2009	142,265	343,514	241%	(681,575)

B. Other Retirement Plans

Other employees are covered under the following retirement plans that are not under the direct control of the County.

Probate Judges' Retirement Fund of Georgia:

The Probate Judge is covered under a pension plan, which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs of other claims.

Clerk of Superior Court Retirement Fund:

The Clerk of Superior Court is covered under a pension plan, which requires that certain sums of fees and fines or bond forfeitures be remitted to the pension plan before payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund:

The Sheriff and his deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Court, Magistrate Court or Clerk of Superior Court to the pension plan before the payment of any costs of other claims.

C. Extension Service Employee Retirement Fund

Employees of Oglethorpe County Agriculture Extension Service are covered under the Teachers Retirement System of Georgia. A contribution is made by the General Fund.

D. Defined Contribution Retirement Plan

The County is a participating member of the Georgia State Employees' Pension and Savings Plan defined contribution retirement plan. The plan is administered by the Employees' Retirement System of Georgia. As of December 31, 2011, there was one participant from the government. Plan members are allowed to make voluntary contributions to the plan. The County does not make contributions to the plan. Plan provisions and contribution requirements are established by County resolution and may be amended by the County. Total contributions for the year ended December 31, 2011 were $660 by the employees and $0 by the County.

NOTE 12 – POST-EMPLOYMENT BENEFITS

The County does not provide supplemental life or health insurance coverage to retirees.

NOTE 13 – INVESTMENTS IN CAPITAL ASSETS

Investments in capital assets on the Government-wide Statement of Net Assets as of December 31, 2011 are as follows:

	Governmental Activities	Business-Type Activities	Component Unit
Investment in capital assets:			
Cost of capital assets	$ 19,986,057	$ 491,509	$ 10,576
Less accumulated depreciation	(5,332,178)	(166,428)	(10,576)
Book Value	14,653,879	325,081	-
Investments in capital assets	$ 14,653,879	$ 325,081	$ -

NOTE 14 – CONTINGENT LIABILITIES

A. Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

B. Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for or including the year ended December 31, 2011, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

C. GEFA Loan

The County has entered into an agreement with the City of Crawford whereby the County has guaranteed the payment of a $750,000 GEFA loan. The County is liable to cover any shortfall in the loan payments made by the City.

NOTE 15 – PRIOR PERIOD ADJUSTMENT – BOARD OF HEALTH

The net assets for the Component Unit were restated by ($12,904) to correct an error in the Board of Health's June 30, 2010 statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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OGLETHORPE COUNTY, GEORGIA

SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2011
(UNAUDITED)

Measurement Date	Actuarial Value of Assets (a)		Actuarial Accrued Liability (b)	Funded/ (Assets in Excess of) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Assets in Excess of) AAL as a Percentage of Covered Payroll {(b-a)/c}
12/31/2010	$ 2,027,713	*	$ 2,055,283	$ 27,570	98.7%	$ 1,352,340	2.0%
12/31/2009	$ 1,862,343	*	$ 1,814,500	$ (47,843)	102.6%	$ 1,221,649	-3.9%
12/31/2008	1,611,275	*	1,858,174	246,899	86.7%	1,395,117	17.7%
12/31/2007	1,321,172		1,778,422	457,250	74.3%	1,501,179	30.5%
12/31/2006	956,021		1,641,464	685,443	58.2%	1,280,012	53.5%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
2011	$ 184,906	102%
2010	167,437	104%
2009	139,660	246%

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Drug Enforcement Fund – This fund accounts for fines collected as required by State Law for drug abuse treatment and educational purposes.

Jail Fund – This fund accounts for fines collected as required by State Law for jail operations and construction.

Law Library Fund – This fund accounts for the resources received from the various courts of Oglethorpe County and disbursements for the support of a centralized law library.

Drug Seizure Fund – This fund accounts for condemned funds received and disbursed for Law Enforcement expenditures.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TE Grant Crawford Depot Fund – This fund is used to account for grants received for the renovation of the Crawford Depot.

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OGLETHORPE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	Special Revenue Funds				Capital Project Funds	Total
	Drug Enforcement	Jail	Law Library	Drug Seizure	TE Grant Crawford Depot	Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	$ 67,230	$ 105,742	$ 10,609	$ 7,093	$ 2	$ 190,676
Certificates of deposit	-	-	15,074	-	-	15,074
Due from other funds	-	1,461	-	-	-	1,461
Total Assets	$ 67,230	$ 107,203	$ 25,683	$ 7,093	$ 2	$ 207,211
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ 10,119	$ -	$ -	$ 2	$ 10,121
Due to other funds	47	-	-	-	-	47
Total Liabilities	47	10,119	-	-	2	10,168
Fund Balances:						
Restricted	67,183	97,084	25,683	7,093	-	197,043
Total Fund Balances	67,183	97,084	25,683	7,093	-	197,043
Total Liabilities and Fund Balances	$ 67,230	$ 107,203	$ 25,683	$ 7,093	$ 2	$ 207,211

OGLETHORPE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds				Capital Project Funds	Total
	Drug Enforcement	Jail	Law Library	Drug Seizure	TE Grant Crawford Depot	Nonmajor Governmental Funds
Revenues:						
Fines	$ 6,578	$ 17,008	$ 3,602	$ 13,763	$ -	$ 40,951
Intergovernmental	-	-	-	-	62,266	62,266
Investment earnings	266	296	31	-	-	593
Total Revenues	6,844	17,304	3,633	13,763	62,266	103,810
Expenditures:						
Current:						
General government	-	-	2,957	-	-	2,957
Public safety	278	35,339	-	13,153	-	48,770
Capital Outlay	-	7,406	-	-	62,268	69,674
Total Expenditures	278	42,745	2,957	13,153	62,268	121,401
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,566	(25,441)	676	610	(2)	(17,591)
Other Financing Sources (Uses):						
Transfer from other funds	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	6,566	(25,441)	676	610	(2)	(17,591)
Fund Balance, beginning of year	60,617	122,525	25,007	6,483	2	214,634
Fund Balance, end of year	$ 67,183	$ 97,084	$ 25,683	$ 7,093	$ -	$ 197,043

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Fines and forfeitures	$ 6,000	$ 6,578	$ 578
Interest income	-	266	266
Total Revenues	6,000	6,844	844
Expenditures:			
Current:			
Public Safety	6,000	278	5,722
Total Expenditures	6,000	278	5,722
Net change in fund balance	-	6,566	6,566
Fund Balance - Beginning of Year	-	60,617	60,617
Fund Balance - End of Year	$ -	$ 67,183	$ 67,183

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Fines and forfeitures	$ 15,000	$ 17,008	$ 2,008
Interest income	-	296	296
Total Revenues	15,000	17,304	2,304
Expenditures:			
Current:			
Public Safety	50,000	35,339	14,661
Capital Outlay	-	7,406	(7,406)
Total Expenditures	50,000	42,745	7,255
Net change in fund balance	(35,000)	(25,441)	9,559
Fund Balance - Beginning of Year	35,000	122,525	87,525
Fund Balance - End of Year	$ -	$ 97,084	$ 97,084

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Fines and forfeitures	$ 14,000	$ 3,602	$ (10,398)
Interest income	-	31	31
Total Revenues	14,000	3,633	(10,367)
Expenditures:			
Current:			
General government	8,400	2,957	5,443
Total Expenditures	8,400	2,957	5,443
Net change in fund balance	5,600	676	(4,924)
Fund Balance - Beginning of Year	(5,600)	25,007	30,607
Fund Balance - End of Year	$ -	$ 25,683	$ 25,683

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
DRUG SEIZURES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Confiscated funds	$ 13,000	$ 13,763	$ 763
Total Revenues	13,000	13,763	763
Expenditures:			
Current:			
Public Safety	19,483	13,153	6,330
Total Expenditures	19,483	13,153	6,330
Net change in fund balance	(6,483)	610	7,093
Fund Balance - Beginning of Year	6,483	6,483	-
Fund Balance - End of Year	$ -	$ 7,093	$ 7,093

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Total - All Agency Funds				
Assets				
Cash and cash equivalents	$ 1,106,101	$ 9,591,703	$ 10,075,911	$ 621,893
Total Assets	$ 1,106,101	$ 9,591,703	$ 10,075,911	$ 621,893
Liabilities				
Due to State of Georgia	$ 53,651	$ 618,962	$ 619,568	$ 53,046
Due to Board of Education	965,368	7,907,801	8,410,548	462,621
Due to Other Governments	461	4,627	4,821	267
Funds held in escrow	60,894	290,965	270,166	81,694
Due to others	25,727	769,346	770,809	24,265
Total Liabilities	$ 1,106,101	$ 9,591,703	$ 10,075,911	$ 621,893

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Superior Court				
Assets				
Cash and cash equivalents	$ 49,815	$ 360,222	$ 358,610	$ 51,427
Total Assets	$ 49,815	$ 360,222	$ 358,610	$ 51,427
Liabilities				
Funds held in escrow	$ 40,109	$ 167,079	$ 167,486	$ 39,702
Due to others	9,706	193,143	191,124	11,725
Total Liabilities	$ 49,815	$ 360,222	$ 358,610	$ 51,427
Magistrate Court				
Assets				
Cash and cash equivalents	$ 1,014	$ 126,502	$ 126,062	$ 1,454
Total Assets	$ 1,014	$ 126,502	$ 126,062	$ 1,454
Liabilities				
Due to others	$ 1,014	$ 126,502	$ 126,062	$ 1,454
Total Liabilities	$ 1,014	$ 126,502	$ 126,062	$ 1,454

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Probate Court				
Assets				
Cash and cash equivalents	$ 9,016	$ 80,542	$ 83,192	$ 6,365
Total Assets	$ 9,016	$ 80,542	$ 83,192	$ 6,365
Liabilities				
Funds held in escrow	$ 10	$ 9,452	$ 8,752	$ 710
Due to others	9,006	71,090	74,440	5,655
Total Liabilities	$ 9,016	$ 80,542	$ 83,192	$ 6,365
Sheriff's Department				
Assets				
Cash and cash equivalents	$ 2,332	$ 344,543	$ 343,881	$ 2,994
Total Assets	$ 2,332	$ 344,543	$ 343,881	$ 2,994
Liabilities				
Other	$ 2,332	$ 344,543	$ 343,881	$ 2,994
Total Liabilities	$ 2,332	$ 344,543	$ 343,881	$ 2,994

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Tax Commissioner's Office				
Assets				
Cash and cash equivalents	$ 1,043,924	$ 8,679,894	$ 9,164,166	$ 559,652
Total Assets	$ 1,043,924	$ 8,679,894	$ 9,164,166	$ 559,652
Liabilities				
Due to State of Georgia	$ 53,651	$ 618,962	$ 619,568	$ 53,046
Due to Board of Education	965,369	7,907,801	8,410,548	462,623
Due to Other Governments	461	4,627	4,821	267
Funds held in Escrow	20,775	114,434	93,928	41,281
Other	3,668	34,069	35,301	2,436
Total Liabilities	$ 1,043,924	$ 8,679,894	$ 9,164,166	$ 559,652

OGLETHORPE COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
YEAR ENDED DECEMBER 31, 2011

Project	Original Estimated Cost	Expenditures: Prior Year(s)	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion
2007 SPLOST					
Roads and bridges	$ 4,655,000	$ 356,494	$ 708,092	$ 1,064,586	22.87%
Public Safety:					
Sheriff Vehicles	330,000	72,548	72,500	145,048	43.95%
Ambulance (see Note 1)	165,000	129,173	111,205	240,378	145.68%
EMS Building	750,000	-	-	-	0.00%
Emergency Services	600,000	39,019	10,815	49,834	8.31%
911 Upgrade	200,000	-	-	-	0.00%
Infrastructure:					
Water Reservoir	500,000	-	-	-	0.00%
Facilities Improvement	250,000	85,739	251,720	337,459	134.98%
Sewage startup	200,000	-	-	-	0.00%
Computer update	100,000	23,717	67,133	90,850	90.85%
Recreation	250,000	50,187	22,338	72,525	29.01%
Totals	$ 8,000,000	$ 756,877	$ 1,243,803	$ 2,000,680	

Note 1 > In 2009, the County received a grant in the amount of $71,329 from the Georgia Department of Human Resources to assist with the purchase of a new ambulance. Expenditures reimbursed by grant funds are included in the schedule above.

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CLHP CLIFTON, LIPFORD, HARDISON & PARKER, LLC

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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 Oglethorpe County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oglethorpe County, Georgia (the "County") as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 27, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Oglethorpe County Board of Health, as described in our report on the County's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

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

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

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in their normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. 2010-02, 2011-01, 2011-02, 2011-03 and 2011-05.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. 2011-04.

Compliance and Other Matter

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

We noted certain matters that we reported to management of the County in a separate letter dated June 27, 2012.

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

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

Macon, Georgia
June 27, 2012

FINANCIAL STATEMENT FINDINGS

Findings noted on the 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*:

2010-02 Landfill Receipts – Reiteration of Prior Year

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

CONDITION
A manual general ledger accounting system is being used by the County. No reconciliation is performed between the receipt books, bank deposit, or final general ledger posting.

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

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

RECOMMENDATION
The County should redesign the internal control system and consider obtaining computer software that would allow for adequate monitoring and reporting. In addition, the County should consider additional training of current personnel.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Procedures for reconciliation are being developed by the County for FY 2012 as well as implementation of a miscellaneous Accounts Receivable software package to strengthen controls in this area.

2011-01 Property Taxes

CRITERIA
Accounting procedures should be designed to insure that revenue is accrued and recognized when it becomes both measurable and available to finance expenditures of the fiscal period.

CONDITION
Various revenue items were not recorded in the proper fiscal period.

EFFECT
The County produced financial reports, which contained material errors. The audit procedures for 2011 identified the need for material adjustments to correct accounting records and financial reports. Audit adjustments of $203,715 and $72,104 were needed to correct the property taxes receivable and deferred revenue accounts.

CAUSE
The County does not have adequate accounting procedures in place to insure the accrual of revenues in the proper fiscal year.

RECOMMENDATION
We recommend that the County develop procedures to insure the recording of revenues when they become both measurable and available to finance expenditures of the fiscal period.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Collections were reported from incorrect month's reports which resulted in recording of incorrect entries. Staff will verify that the correct reports are used in the future.

2011-02 Accounts Payable/Expenses

CRITERIA
In accordance with generally accepted accounting principles, expenses or expenditures are recognized as soon as a liability is incurred. Year end procedures are necessary to ensure that expenses or expenditures and accounts payable are recorded in the appropriate period.

CONDITION
The County does not have adequate accounting procedures to insure that expenses or expenditures are recorded and properly classified when a liability is incurred.

EFFECT
Material audit adjustments were needed to fairly state and classify expenses or expenditures for the year ended December 31, 2011. A summary of the required adjustments is as follows:

- Material audit adjustment was needed to record additional accounts payable items of $210,875 in the General Fund.
- Audit adjustment of $108,168 was needed to record accrued salaries in the General Fund.
- Audit adjustment of $41,377 was needed to correct the reporting of FICA expenditure in multiple funds.
- Audit adjustment of $80,294 was need to correct the landfill closure/postclosure cost liability account.

CAUSE
The County lacked accounting procedures to insure the recording and proper classification of incurred expenses or expenditures at the end of the fiscal period.

RECOMMENDATION
The County should establish procedures to insure the proper accrual and classification of all liabilities incurred during the fiscal period.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. County staff have been trained to identify expenditures on the GAAP basis and will improve this in the next fiscal year. Software conversion issues contributed to the problem in this fiscal year.

2011-03 Bank Reconciliations - Payroll

CRITERIA
An effective system of internal controls includes the requirement that all bank accounts are reconciled with the general ledger on a monthly basis and the reconciliations are reviewed by management or another responsible official.

CONDITION
The payroll cash account reconciliation for the month of December 2011 contained material errors . Reconciling items noted during the bank reconciliation process were not addressed in a timely manner.

EFFECT
Material audit adjustment of $28,949 was needed to correct the cash balance.

CAUSE
The County lacked accounting procedures to insure the bank reconciliations are properly performed and all reconciling items addressed in a timely manner.

RECOMMENDATION
The County should establish procedures to insure the proper reconciliation of all bank accounts are done in a timely manner and that all reconciling items identified during the process are reported properly and addressed in a timely manner.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The payroll issues with conversion created the outstanding item on the bank reconciliation which created the need for the entry. Staff is working with an outside consultant to improve bank reconciliation procedures for the next fiscal year.

2011-04 Bank Reconciliations – Magistrate Court

CRITERIA
An effective system of internal controls includes the requirement that all bank accounts are reconciled with the general ledger on a monthly basis and the reconciliations are reviewed by management or another responsible official.

CONDITION
Bank accounts held by the Magistrate Court were not being reconciled to the court activity during 2011.

EFFECT
Proper bank reconciliations are not being performed on the Court bank accounts. Failure to adequately monitor and reconcile court activity could increase the likelihood of misappropriation of funds or errors going undetected. In addition, interim financial reports, which are used by management for fiscal-related decisions, could have been relied upon in error.

CAUSE
The Magistrate Court has not established adequate policies and procedures regarding the reconciliation of court activity to the bank accounts.

RECOMMENDATION
The Magistrate Court should redesign the internal control system of the Court to maintain adequate records and reconciliation of the court activity. The Court should establish procedures to perform bank reconciliations for all bank accounts held by the Court in a timely manner.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County Commission Chair will advise the Magistrate Court of the issue.

2011-05 Accounting Software Conversion

CRITERIA
When the financial records of the County are transferred from one accounting system to another, procedures must be in place to insure a complete and accurate transition of the financial transactions.

CONDITION
Payroll transactions did not transfer correctly from the old ledger to the new accounting system.

EFFECT
The newly implemented accounting software did not properly reflect the County's payroll transactions that occurred during the year. Accordingly, subsidiary records were unable to be reconciled to the general ledger on a timely basis. The County had to correct the quarterly 941 reports as well as reissue the W-2s as a result of this conversion error.

CAUSE
The County did not have an adequate plan for the transfer of data from the old accounting system to the new software.

RECOMMENDATION
For future software conversions, the County should develop procedures to insure the following:

- A proper roll forward of all balances from the old system to the new accounting software.
- A proper cutoff of newly executed transactions.
- Timely reconciliation of subsidiary records to the new general ledger control accounts.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. W-2s have been restated for 2011 and quarterly reconciliations are being done for 2012.