OGLETHORPE COUNTY, GEORGIA



ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

OGLETHORPE COUNTY, GEORGIA

AUDIT REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2012

OGLETHORPE COUNTY, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Oglethorpe County, Georgia

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oglethorpe County, Georgia, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison information 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 4-9 and 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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, budgetary comparison schedules and 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, the budgetary comparison schedules and schedule of projects constructed with special sales tax proceeds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules and schedule of projects constructed with special sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2013 on our consideration of Oglethorpe County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oglethorpe County, Georgia's internal control over financial reporting and compliance.



Macon, Georgia
June 18, 2013

MANAGEMENT'S DISCUSSION AND 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, 2012.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities as of December 31, 2012, by $29,749,917 (net position).
- As of December 31, 2012, total net position consisted of $15,129,226 invested in capital assets, $1,531,098 restricted, and $13,089,593 unrestricted.
- As of December 31, 2012, the County's governmental funds reported ending fund balance of $13,414,071 a decrease of $1,092 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 position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 landfill is the sole business-type activity of the County.

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, 2012, the County had the following governmental funds, the General Fund, five Special Revenue Funds and three 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 30 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 position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $29,749,917 at the close of the most recent year.

A significant portion of the County's net position reflects its investment in capital assets. As of December 31, 2012, the investment consists of $21,516,314 in assets and accumulated depreciation of $6,387,088.

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

For the year ended December 31, 2012, capital assets increased $150,266 net. Noncurrent liabilities increased $83,285 net as of December 31, 2012, compared to 2011. The increase in the noncurrent liabilities is due primarily to an increase in the landfill closure and post-closure costs.

	Governmental Activities		Business-type Activities		Total	
	Net Position	Net Position	Net Position	Net Position	Net Position	Net Position
	2012	2011	2012	2011	2012	2011
Assets						
Current and other assets	$ 14,345,678	$ 14,047,798	$ 2,366,763	$ 2,288,132	$ 16,712,441	$ 16,335,930
Capital assets	14,828,451	14,653,879	300,775	325,081	15,129,226	14,978,960
Noncurrent assets	680,668	684,380	-	-	680,668	684,380
Total assets	29,854,797	29,386,057	2,667,538	2,613,213	32,522,335	31,999,270
Liabilities						
Current and other liabilities	795,588	497,269	14,701	45,063	810,289	542,332
Noncurrent liabilities	5,903	8,464	1,956,226	1,870,380	1,962,129	1,878,844
Total liabilities	801,491	505,733	1,970,927	1,915,443	2,772,418	2,421,176
Net Position						
Investment in capital assets	14,828,451	14,653,879	300,775	325,081	15,129,226	14,978,960
Restricted	1,531,098	1,901,217	-	-	1,531,098	1,901,217
Unrestricted	12,693,757	12,325,228	395,836	372,689	13,089,593	12,697,917
Total net position	$ 29,053,306	$ 28,880,324	$ 696,611	$ 697,770	$ 29,749,917	$ 29,578,094

	Governmental Activities		Business-type Activities		Total	
	Changes in Net Position	Changes in Net Position	Changes in Net Position	Changes in Net Position	Changes in Net Position	Changes in Net Position
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues						
Charges for services	$ 1,683,469	$ 1,660,863	$ 291,169	$ 281,263	$ 1,974,638	$ 1,942,126
Operating grants and contributions	11,102	25,376	-	-	11,102	25,376
Capital grants and contributions	421,224	4,624,863	-	-	421,224	4,624,863
General revenues						
Property taxes	3,063,351	3,205,256	-	-	3,063,351	3,205,256
Other taxes	2,575,500	2,521,033	-	-	2,575,500	2,521,033
Interest revenue	71,658	100,029	17,447	23,984	89,105	124,013
Other	24,675	44,308	-	-	24,675	44,308
Total Revenues	7,850,979	12,181,728	308,616	305,247	8,159,595	12,486,975
Expenses						
General government	1,016,401	1,527,584	-	-	1,016,401	1,527,584
Public safety	2,616,818	2,542,552	-	-	2,616,818	2,542,552
Public works	1,567,714	1,510,754	-	-	1,567,714	1,510,754
Courts	1,089,223	711,884	-	-	1,089,223	711,884
Health and welfare	1,116,884	1,103,234	-	-	1,116,884	1,103,234
Culture and recreation	335,957	387,629	-	-	335,957	387,629
Landfill	-	-	244,775	327,888	244,775	327,888
Total Expenses	7,742,997	7,783,637	244,775	327,888	7,987,772	8,111,525
Increase (decrease) in net position before transfers	107,982	4,398,091	63,841	(22,641)	171,823	4,375,450
Transfers	65,000	(36,181)	(65,000)	36,181	-	-
Increase (decrease) in net position	172,982	4,361,910	(1,159)	13,540	171,823	4,375,450
Net position beginning of year	28,880,324	24,518,414	697,770	684,230	29,578,094	25,202,644
Net position ending	$ 29,053,306	$ 28,880,324	$ 696,611	$ 697,770	$ 29,749,917	$29,578,094

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, 2012, the County's governmental funds reported ending fund balance of $13,414,071. Of this balance, $11,083,859 constitutes unassigned fund balance, which is available for spending at the government's discretion. $52,179 is nonspendable fund balance related to inventory and prepaid items. $1,531,098 is restricted fund balance and the remainder of fund balance of $746,935 is assigned to indicate that it is not available for new spending because $563,610 is assigned to the 2013 budget and $183,325 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 148 percent of total governmental fund expenditures.

The fund balance of the County's governmental funds decreased $1,092 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 position for the proprietary funds decreased by $1,159, primarily due to declines in interest earnings.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County continues to conservatively budget revenues and FY 2012 actual revenues exceeded the budgetary estimates by approximately $62,000 while total expenditures for FY 2012 were less than budget by over $800,000. This improvement was a result of efforts by County departments and constitutional officers to remain within their budgetary limits. The County was able to spend within budgetary means with only using $44,500 of the $250,000 contingency it had placed into the budget.

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, 2012 amounts to $15,129,226 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 $150,266. The net change is primarily the result of capital acquisitions of $721,948, infrastructure of $316,800, and depreciation expense of $888,482. See Note 8 in the Notes to the Financial Statements for more detail on capital assets.

	Governmental Activities	Business-Type Activities	Total
Land	$ 1,090,167	$ 231,160	$ 1,321,327
Construction in progress	576,594	-	576,594
Building	8,561,214	-	8,561,214
Furniture and Fixtures	439,849	17,293	457,142
Machinery and equipment	2,654,499	243,056	2,897,555
Infrastructure	6,626,596	-	6,626,596
Vehicles	1,069,886	-	1,069,886
Land Improvements	6,000	-	6,000
Accumulated depreciation	(6,196,354)	(190,734)	(6,387,088)
Total	$ 14,828,451	$ 300,775	$ 15,129,226

Noncurrent Debt
As of December 31, 2012, the County's noncurrent debt consisted of compensated absences and landfill closure. See Note 9 in the Notes to the Financial Statements for more detail on noncurrent liabilities.

ECONOMIC FACTORS

During the year 2012, notable events were as follows:

Revenue sources and collections appear to be improving from the downturned economy although only slightly.

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 transitioned during 2012 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. Amy Forrester, County Clerk, P.O. Box 261, Lexington, Georgia 30648.

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FINANCIAL STATEMENTS

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Health
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 10,590,263	$ 679,351	$ 11,269,614	$ 171,833
Certificates of deposit	3,015,110	1,753,018	4,768,128	-
Receivables, net of allowance				
Taxes	377,979	-	377,979	-
Accounts	66,166	19,324	85,490	4,390
Accrued interest	9,733	1,116	10,849	-
Due from other governments	148,202	-	148,202	10,692
Interfund	86,046	(86,046)	-	-
Prepaid items	7,746	-	7,746	-
Inventory	44,433	-	44,433	-
Total current assets	14,345,678	2,366,763	16,712,441	186,915
Noncurrent assets:				
Other assets	680,668	-	680,668	-
Nondepreciable assets	1,666,762	231,160	1,897,922	-
Depreciable assets, net	13,161,689	69,615	13,231,304	-
Total noncurrent assets	15,509,119	300,775	15,809,894	-
Total Assets	29,854,797	2,667,538	32,522,335	186,915
LIABILITIES				
Accounts payable	213,836	7,982	221,818	3,279
Accrued salaries and benefits	155,738	3,836	159,574	-
Unearned revenue	392,566	-	392,566	-
Noncurrent liabilities:				
Due within one year	33,448	2,883	36,331	4,663
Due in more than one year	5,903	1,956,226	1,962,129	13,478
Total Liabilities	801,491	1,970,927	2,772,418	21,420
NET POSITION				
Investment in capital assets	14,828,451	300,775	15,129,226	-
Restricted for				
Capital outlay	1,040,636	-	1,040,636	-
Other restrictions	490,462	-	490,462	-
Unrestricted	12,693,757	395,836	13,089,593	165,495
Total Net Position	$ 29,053,306	$ 696,611	$ 29,749,917	$ 165,495

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, 2012

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 Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Board of Health
Primary Government:								
Governmental Activities								
General government	$ 1,016,401	$ 636,624	$ 11,102	$ -	$ (368,675)	$ -	$ (368,675)	
Public safety	2,616,818	683,378	-	-	(1,933,440)	-	(1,933,440)	
Public works	1,567,714	47,132	-	421,224	(1,099,358)	-	(1,099,358)	
Courts	1,089,223	-	-	-	(1,089,223)	-	(1,089,223)	
Health and welfare	1,116,884	166,432	-	-	(950,452)	-	(950,452)	
Culture and recreation	335,957	149,903	-	-	(186,054)	-	(186,054)	
Total governmental activities	7,742,997	1,683,469	11,102	421,224	(5,627,202)	-	(5,627,202)	
Business-type Activities								
Landfill	244,775	291,169	-	-	-	46,394	46,394	
Total business-type activities	244,775	291,169	-	-	-	46,394	46,394	
Total Primary Government	$ 7,987,772	$ 1,974,638	$ 11,102	$ 421,224	(5,627,202)	46,394	(5,580,808)	
Component Units:								
Board of Health	$ 343,620	$ 82,964	$ 248,331	$ -				$ (12,325)
Total Component Units	$ 343,620	$ 82,964	$ 248,331	$ -				(12,325)
General Revenues								
Property tax					3,063,351	-	3,063,351	-
Sales tax					1,458,459	-	1,458,459	-
Other tax					517,690	-	517,690	-
Insurance premium tax					592,421	-	592,421	-
Real estate transfer tax					6,930	-	6,930	-
Interest revenue					71,658	17,447	89,105	77
Miscellaneous					24,675	-	24,675	-
Total General Revenues					5,735,184	17,447	5,752,631	77
Transfers					65,000	(65,000)	-	-
Total General Revenues and Transfers					5,800,184	(47,553)	5,752,631	77
Change in Net Position					172,982	(1,159)	171,823	(12,248)
Net Position - Beginning of Year					28,880,324	697,770	29,578,094	177,743
Net Position - End of Year					$ 29,053,306	$ 696,611	$29,749,917	$ 165,495

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

OGLETHORPE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General Fund	2007 SPLOST	E911	LMIG	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 8,533,025	$ 852,005	$ 509,324	$ 388,670	$ 307,239	$10,590,263
Certificates of deposit	3,000,000	-	-	-	15,110	3,015,110
Receivables, net of allowance						
Taxes	377,979	-	-	-	-	377,979
Accounts	24,639	-	41,527	-	-	66,166
Accrued interest	9,733	-	-	-	-	9,733
Due from other governments	82,617	-	-	-	65,585	148,202
Due from other funds	308,570	-	-	-	-	308,570
Prepaid items	-	-	7,746	-	-	7,746
Inventory	44,433	-	-	-	-	44,433
Total Assets	$12,380,996	$ 852,005	$ 558,597	$ 388,670	$ 387,934	$14,568,202
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 186,912	$ 3,389	$ 493	$ -	$ 23,042	$ 213,836
Accrued payroll deductions	145,459	-	10,279	-	-	155,738
Due to other funds	-	-	222,321	-	203	222,524
Deferred revenues						
Taxes	169,467	-	-	-	-	169,467
Other	3,931	-	-	388,635	-	392,566
Total Liabilities	505,769	3,389	233,093	388,635	23,245	1,154,131
Fund Balances:						
Nonspendable	44,433	-	7,746	-	-	52,179
Restricted	-	848,616	317,758	35	364,689	1,531,098
Assigned	746,935	-	-	-	-	746,935
Unassigned	11,083,859	-	-	-	-	11,083,859
Total Fund Balances	11,875,227	848,616	325,504	35	364,689	13,414,071
Total Liabilities and Fund Balances	$12,380,996	$ 852,005	$ 558,597	$ 388,670	$ 387,934	$14,568,202

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 POSITION
DECEMBER 31, 2012

Total Fund Equity per Balance Sheet of Governmental Funds	$	13,414,071
Amounts reported for governmental activities in the Statement of Net Position 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		21,024,805
Accumulated depreciation		(6,196,354)
Net pension asset is not available during the current period and therefore, is not reported in the funds.		
Other assets		680,668
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.		169,467
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 Position. Long-term liabilities at year-end consist of the following:		
Compensated absences		(39,351)
Total Net Position of Governmental Activities	$	29,053,306

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, 2012

	General Fund	2007 SPLOST	E911	LMIG	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 4,675,621	$ 579,852	$ -	$ -	$ 191,985	$ 5,447,458
License and permits	47,035	-	-	-	-	47,035
Intergovernmental revenue	18,032	-	-	-	-	18,032
Charges for services	1,004,031	-	212,561	-	-	1,216,592
Fines and forfeitures	570,140	-	-	-	48,026	618,166
Interest income	70,653	1,702	645	35	325	73,360
Other revenues	24,675	-	-	-	-	24,675
Total Revenues	6,410,187	581,554	213,206	35	240,336	7,445,318
Expenditures:						
Current:						
General government	1,348,943	30,926	-	-	2,776	1,382,645
Courts	650,509	57,959	-	-	-	708,468
Public safety	1,930,021	250	300,493	-	62,508	2,293,272
Public works	682,503	400,534	-	-	-	1,083,037
Health and welfare	1,082,317	-	-	-	-	1,082,317
Culture and recreation	300,479	30,761	-	-	-	331,240
Intergovernmental	37,960	-	-	-	-	37,960
Capital Outlay	-	572,170	12,895	-	7,406	592,471
Total Expenditures	6,032,732	1,092,600	313,388	-	72,690	7,511,410
Excess (Deficiency) of Revenues Over (Under) Expenditures	377,455	(511,046)	(100,182)	35	167,646	(66,092)
Other Financing Sources (Uses):						
Transfers from other funds	65,000	-	73,428	-	-	138,428
Transfers to other funds	(73,428)	-	-	-	-	(73,428)
Total other financing sources (uses)	(8,428)	-	73,428	-	-	65,000
Net change in fund balances	369,027	(511,046)	(26,754)	35	167,646	(1,092)
Fund Balance, beginning of year	11,506,200	1,359,662	352,258	-	197,043	13,415,163
Fund Balance, end of year	$ 11,875,227	$ 848,616	$ 325,504	$ 35	$ 364,689	$ 13,414,071

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, 2012

Net Change in Fund Balances - Governmental Funds	$	(1,092)
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		619,226
Total depreciation		(864,176)
The net effect of various miscellaneous transactions involving capital assets (i.e. donations, annexing) is to increase net position		419,522
Net pension asset is not available during the current period and therefore, is not reported in the funds.		
Other assets		(3,712)
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		17,075
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 decreased by this amount during the fiscal year.		(13,861)
Change in Net Position of Governmental Activities	$	172,982

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, 2012

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Taxes:				
General property taxes	$ 2,899,777	$ 2,899,777	$ 2,736,200	$ (163,577)
Local option sales tax	695,683	695,683	686,622	(9,061)
Other taxes:				
Recording intangibles	42,000	42,000	48,823	6,823
Timber taxes	28,500	28,500	32,555	4,055
Motor vehicle taxes	265,532	265,532	336,083	70,551
Mobile home taxes	34,000	34,000	27,907	(6,093)
Franchise taxes	1,500	1,500	955	(545)
Insurance premium taxes	527,511	527,511	592,421	64,910
Alcoholic beverage taxes	81,417	81,417	71,367	(10,050)
Penalties and interest	-	-	142,688	142,688
Total Taxes	4,575,920	4,575,920	4,675,621	99,701
Licenses and Permits:				
Alcohol beverage license	4,000	4,000	5,250	1,250
Business licenses	18,000	18,000	23,708	5,708
Building permits	19,000	19,000	18,077	(923)
Total Licenses and Permits	41,000	41,000	47,035	6,035
Intergovernmental Revenues:				
State grants:				
Forestry commission payment in lieu of tax	8,820	8,820	8,907	87
Real estate transfer tax	10,000	10,000	6,930	(3,070)
Department of Community Affairs	2,100	2,100	2,195	95
Total Intergovernmental Revenue	$ 20,920	$ 20,920	$ 18,032	$ (2,888)

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, 2012
(CONTINUED)

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Charges for Services:				
Recreation fees	$ 136,514	$ 136,514	$ 132,000	$ (4,514)
Ambulance services	460,000	460,000	417,996	(42,004)
Jail-housing Prisoners State	8,000	8,000	8,800	800
Senior citizens client fees	140,000	140,000	166,432	26,432
Recycling	38,500	38,500	47,132	8,632
Civil defense	5,000	5,000	5,000	-
Planning and zoning	23,000	23,000	13,898	(9,102)
Tax Commissioner - commissions	200,000	200,000	198,324	(1,676)
Cell tower rental	10,000	10,000	10,760	760
Other	35	35	3,689	3,654
Total Charges for Services	1,021,049	1,021,049	1,004,031	(17,018)
Fines and Forfeits:				
Superior Court	135,000	135,000	117,394	(17,606)
Probate Court	145,000	145,000	139,719	(5,281)
Magistrate Court	44,000	44,000	50,074	6,074
Sheriff Cost and fees	190,000	190,000	247,072	57,072
Probation	9,000	9,000	15,881	6,881
Total Fines and Forfeits	523,000	523,000	570,140	47,140
Miscellaneous:				
Interest	132,373	132,373	70,653	(61,720)
Other revenues	33,394	33,394	24,675	(8,719)
Total Miscellaneous	165,767	165,767	95,328	(70,439)
Total Revenues	$ 6,347,656	$ 6,347,656	$ 6,410,187	$ 62,531

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, 2012
(CONTINUED)

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
General Government:				
General Administration:				
Group insurance	$ 350,000	$ 350,000	$ 290,937	$ 59,063
Bonds and insurance	130,000	130,000	109,640	20,360
Workman's compensation	92,619	92,619	92,267	352
Retirement	195,000	195,000	95,444	99,556
Unemployment	20,000	20,000	7,958	12,042
Miscellaneous	1,996	1,996	1,437	559
Contingency	250,000	205,500	-	205,500
Total General Administration	1,039,615	995,115	597,683	397,432
Board of Commissioners:				
Personnel	144,524	144,524	156,192	(11,668)
Retirement	4,336	4,336	2,108	2,228
Other	55,208	55,208	60,066	(4,858)
Information Technology	30,000	30,000	10,514	19,486
Total Board of Commissioners	234,068	234,068	228,880	5,188
Tax Commissioner's Office:				
Personnel	136,825	136,825	141,939	(5,114)
Retirement	4,585	4,585	845	3,740
Other	82,350	82,350	58,788	23,562
Total Tax Commissioner's Office	223,760	223,760	201,572	22,188
Tax Assessors:				
Personnel	21,638	21,638	22,389	(751)
Retirement	649	649	4	645
Other	48,275	48,275	23,708	24,567
Total Tax Assessors	70,562	70,562	46,101	24,461
Tax Equalization Office:	$ 3,825	$ 3,825	$ 2,447	$ 1,378

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, 2012
(CONTINUED)

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
General Government (Continued):				
Tax Appraiser:				
Personnel	$ 75,570	$ 75,570	$ 78,774	$ (3,204)
Retirement	2,267	2,267	860	1,407
Other	2,600	2,600	-	2,600
Total Tax Appraiser	80,437	80,437	79,634	803
Coroner:				
Personnel	11,167	11,167	10,852	315
Retirement	-	-	69	(69)
Other	9,500	9,500	8,463	1,037
Total Coroner	20,667	20,667	19,384	1,283
County Attorney	35,000	35,000	16,835	18,165
Elections	35,159	35,159	25,229	9,930
Voter Registrar:				
Personnel	49,384	49,384	35,066	14,318
Retirement	1,482	1,482	521	961
Other	9,860	9,860	6,836	3,024
Total Voter Registrar	60,726	60,726	42,423	18,303
Public Buildings:				
Personnel	27,066	32,066	31,915	151
Retirement	812	812	598	214
Other	9,300	18,266	18,629	(363)
Total Public Buildings	$ 37,178	$ 51,144	$ 51,142	$ 2

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, 2012
(CONTINUED)

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
General Government (Continued):				
Cooperative Extension Service:				
Personnel	$ 25,638	$ 25,638	$ 25,794	$ (156)
Retirement	2,450	2,450	2,693	(243)
Other	9,909	9,909	9,126	783
Total Cooperative Extension Service	37,997	37,997	37,613	384
Total General Government	1,878,994	1,848,460	1,348,943	499,517
Courts:				
Superior Court:				
Personnel	106,826	106,826	106,500	326
Retirement	1,431	1,431	110	1,321
Other	30,505	30,505	29,152	1,353
Total Superior Court	138,762	138,762	135,762	3,000
Probate Court:				
Personnel	141,356	141,356	138,872	2,484
Retirement	4,353	4,353	980	3,373
Other	25,300	25,300	18,174	7,126
Total Probate Court	171,009	171,009	158,026	12,983
Magistrate Court:				
Personnel	159,861	159,861	147,304	12,557
Other	15,400	15,400	17,319	(1,919)
Total Magistrate Court	175,261	175,261	164,623	10,638
Other Judicial:				
Personnel	57,056	57,056	54,413	2,643
Other	150,725	150,725	137,685	13,040
Capital Outlay	5,000	5,000	-	5,000
Total Other Judicial	212,781	212,781	192,098	20,683
Total Courts	$ 697,813	$ 697,813	$ 650,509	$ 47,304

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, 2012
(CONTINUED)

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Public Safety:				
Sheriff's Office:				
Personnel	$ 683,061	$ 683,061	$ 671,018	$ 12,043
Retirement	18,506	18,506	5,755	12,751
Other	180,700	180,700	199,962	(19,262)
Capital Outlay	3,000	3,000	2,340	660
Total Sheriff's Office	885,267	885,267	879,075	6,192
Jail:				
Personnel	559,952	559,952	538,297	21,655
Retirement	16,799	16,799	5,959	10,840
Prisoner	1,000	1,000	840	160
Medical	128,890	128,890	98,924	29,966
Other	174,400	174,400	171,415	2,985
Total Jail	881,041	881,041	815,435	65,606
Rescue Unit / Civil Defense:				
Personnel	10,520	10,520	10,958	(438)
Other	21,096	21,096	7,095	14,001
Total Rescue Unit / Civil Defense	31,616	31,616	18,053	13,563
Local Fire Departments:				
County Part	176,090	179,458	179,458	-
Total Local Fire Departments	176,090	179,458	179,458	-
Animal Shelter	39,000	39,000	38,000	1,000
Total Public Safety	2,013,014	2,016,382	1,930,021	86,361
Public Works:				
Public Work Camp:				
Personnel	284,734	284,734	246,673	38,061
Retirement	8,542	8,542	3,203	5,339
Other	196,949	196,949	237,556	(40,607)
Capital Outlay	25,000	25,000	18,205	6,795
Total Public Work Camp	$ 515,225	$ 515,225	$ 505,637	$ 9,588

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, 2012
(CONTINUED)

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Code Enforcement Center				
Personnel	$ 31,262	$ 31,262	$ 30,397	$ 865
Retirement	938	938	4	934
Other	12,155	12,155	5,882	6,273
Total Code Enforcement Center	44,355	44,355	36,283	8,072
Recycling				
Personnel	27,720	27,720	25,169	2,551
Other	45,048	45,048	17,233	27,815
Total Recycling	72,768	72,768	42,402	30,366
Planning and Zoning				
Personnel	87,385	87,385	76,644	10,741
Retirement	2,622	2,622	2,569	53
Other	22,435	22,435	18,968	3,467
Total Land Use and Development	112,442	112,442	98,181	14,261
Total Public Works	744,790	744,790	682,503	62,287
Health and Welfare:				
Ambulance Service:				
Personnel	647,250	647,250	644,514	2,736
Retirement	19,418	19,418	7,355	12,063
Other	104,994	104,994	97,693	7,301
Capital Outlay	8,000	8,000	6,062	1,938
Total Ambulance Service	$ 779,662	$ 779,662	$ 755,624	$ 24,038

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, 2012
(CONTINUED)

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Senior Center:				
Personnel	$ 133,785	$ 133,785	$ 99,894	$ 33,891
Retirement	4,014	4,014	1,825	2,189
Other	115,690	115,690	102,426	13,264
Total Senior Center	253,489	253,489	204,145	49,344
Other Health and Welfare:				
Dept of Family and Children Services	8,000	8,000	7,953	47
Mental Health	1,940	1,940	1,940	-
Retardation Center	600	600	600	-
Child Development Center	2,250	2,250	1,531	719
Development Authority	37,825	37,825	24,247	13,578
Board of Health	84,000	86,278	86,277	1
Total Other Health and Welfare	134,615	136,893	122,548	14,345
Total Health and Welfare	1,167,766	1,170,044	1,082,317	87,727
Culture and Recreation:				
Library:				
Personnel	55,781	55,781	55,573	208
Other	19,940	44,828	45,036	(208)
Total Library	75,721	100,609	100,609	-
Recreation Department:				
Personnel	107,043	107,043	74,458	32,585
Other	127,614	127,614	117,913	9,701
Capital Outlay	4,165	4,165	7,499	(3,334)
Total Recreation Department	238,822	238,822	199,870	38,952
Total Culture and Recreation	$ 314,543	$ 339,431	$ 300,479	$ 38,952

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, 2012
(CONTINUED)

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Payments to Other Government Agencies:				
State Forestry Commission	$ 23,062	$ 23,062	$ 23,061	$ 1
Northeast Georgia Regional Commission	15,000	15,000	14,899	101
Northeast Georgia Solid Waste Authority	1,000	1,000	-	1,000
Total Payments to Other Government Agencies	39,062	39,062	37,960	1,102
Total Current Expenditures	6,855,982	6,855,982	6,032,732	823,250
Debt Service				
Principal	7,100	7,100	-	7,100
Total Debt Service	7,100	7,100	-	7,100
Total Expenditures	6,863,082	6,863,082	6,032,732	830,350
Excess (Deficiency) of Revenues Over (Under) Expenditures	(515,426)	(515,426)	377,455	892,881
Other Financing Sources (Uses):				
Transfers to E911 Fund	(73,428)	(73,428)	(73,428)	-
Transfers from Landfill Fund	65,000	65,000	65,000	-
Total Other Financing Uses	(8,428)	(8,428)	(8,428)	-
Net Change in fund balance	(523,854)	(523,854)	369,027	892,881
Fund Balance, beginning of year	11,506,200	11,506,200	11,506,200	-
Fund Balance, end of year	$ 10,982,346	$ 10,982,346	$ 11,875,227	$ 892,881

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, 2012
(CONTINUED)

	E911 Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenue:				
Subscriber fees	$ 186,599	$ 186,599	$ 212,561	$ 25,962
Interest income	1,968	1,968	645	(1,323)
Total Revenues	188,567	188,567	213,206	24,639
Expenditures:				
Current:				
Public safety	351,995	339,100	300,493	38,607
Capital outlay	-	12,895	12,895	-
Total Expenditures	351,995	351,995	313,388	38,607
Excess (Deficiency) of Revenues Over (Under) Expenditures	(163,428)	(163,428)	(100,182)	63,246
Other Financing Sources (Uses):				
Transfers from General Fund	73,428	73,428	73,428	-
Total Other Financing Sources (Uses)	73,428	73,428	73,428	-
Net change in fund balance	(90,000)	(90,000)	(26,754)	63,246
Fund Balance - Beginning of Year	352,258	352,258	352,258	-
Fund Balance - End of Year	$ 262,258	$ 262,258	$ 325,504	$ 63,246

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds
	Landfill Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 679,351
Certificates of deposit	1,753,018
Accounts receivable (net of allowance for uncollectibles)	19,324
Accrued interest	1,116
Total current assets	2,452,809
Noncurrent assets:	
Capital assets:	
Nondepreciable	231,160
Depreciable, net	69,615
Total capital assets	300,775
Total noncurrent assets	300,775
Total assets	2,753,584
LIABILITIES	
Current liabilities:	
Accounts payable	7,982
Accrued liabilities	3,836
Due to other funds	86,046
Compensated absences	2,883
Total current liabilities	100,747
Noncurrent liabilities	
Post-closure costs	1,956,226
Total noncurrent liabilities	1,956,226
Total liabilities	2,056,973
NET POSITION	
Investment in capital assets	300,775
Unrestricted	395,836
Total net position	$ 696,611

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds
	Landfill Fund
Operating Revenues:	
Charges for services	$ 291,169
Total operating revenues	291,169
Operating Expenses:	
Personal services	81,546
Purchased services	43,894
Landfill closure and postclosure	56,446
Materials and supplies	38,583
Depreciation	24,306
Total Operating Expenses	244,775
Operating Income (Loss)	46,394
Non-Operating Revenues (Expenses):	
Interest revenue	17,447
Total Non-Operating Revenues (Expenses)	17,447
Net Income (Loss) before Contributions and Transfers	63,841
Transfers out	(65,000)
Change in net position	(1,159)
Net position - beginning of year	697,770
Net position - end of year	$ 696,611

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, 2012

	Business-type Activities - Enterprise Funds
Cash Flows from Operating Activities:	Landfill Fund
Cash received from customers	$ 288,943
Cash paid to suppliers for good and services	(63,629)
Cash paid to employees	(87,073)
Net Cash Provided by (Used for) Operating Activities	138,241
Cash Flows from Noncapital Financing Activities:	
Transfer from General Fund	(65,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	(65,000)
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of assets	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	-
Cash Flows from Investing Activities:	
Interest received	24,359
Net Cash Provided by (Used for) Investing Activities	24,359
Net Increase (Decrease) in Cash and Cash Equivalents	97,600
Cash and Cash Equivalents - Beginning of Year	2,334,769
Cash and Cash Equivalents - End of Year	$ 2,432,369
Reconciliation of Cash Equivalents	
Cash and cash equivalents	$ 679,351
Certificates of deposit	1,753,018
Total cash and cash equivalents	$ 2,432,369

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, 2012
(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)	$ 46,394
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	(2,226)
Increase (decrease) in accounts payable	5,765
Increase (decrease) in accrued liabilities	(2,721)
Increase (decrease) in due to other funds	14,283
Increase (decrease) in compensated absences	(2,806)
Increase (decrease) in postclosure costs	55,246
Total adjustments	91,847
Net Cash Provided by (Used for) Operating Activities	$ 138,241

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2012

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 1,637,235
Total Assets	$ 1,637,235
LIABILITIES	
Due to other governments	$ 1,532,403
Funds held in escrow	69,934
Due to others	34,898
Total Liabilities	$ 1,637,235

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, 2012. 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, 2012, 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, 2012, 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 Position and Statement of Change in Net Position) 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.

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.

LMIG Fund – is used to account for grant monies received for street improvements.

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, 2012:

Fund Balances	General Fund	2007 SPLOST	E911	LMIG	Nonmajor Governmental	Total
Nonspendable:						
Prepaids	$ -	$ -	$ 7,746	$ -	$ -	$ 7,746
Inventory	44,433	-	-	-	-	44,433
Restricted for:						
Public Safety	-	-	317,758	-	172,704	490,462
Capital outlay	-	848,616	-	-	191,985	1,040,601
Road improvements	-	-	-	35	-	35
Assigned for:						
Fund balance appropriation	563,610	-	-	-	-	563,610
Recreation	183,325	-	-	-	-	183,325
Unassigned	11,083,859	-	-	-	-	11,083,859
Total fund balances	$ 11,875,227	$ 848,616	$ 325,504	$ 35	$ 364,689	$ 13,414,071

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, 2012, 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, 2011 - December 1, 2012, the County's total contribution was $109,640. 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.

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, 2012, 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	15,110
Certificates of deposit – Landfill Fund	12 months	1,753,018
		$ 4,768,128

At June 30, 2012, the carrying amount of deposits for the Oglethorpe County Board of Health, a discretely presented component unit, was $171,833, and the bank balance was $171,661. 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 2012 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 2012 is as follows:

Assessment Date	January 1, 2012
Levy Date	October 20, 2012
Due Date and Collection Date	December 20, 2012
Tax Execution Date/Lien Date	December 21, 2012

NOTE 5 – OTHER RECEIVABLES

Receivables at December 31, 2012, consist of the following:

	General Fund	E911	Landfill Fund	Total
Receivables:				
Taxes	$ 462,409	$ -	$ -	$ 462,409
Landfill	-	-	41,982	41,982
Accounts	375,875	41,527	-	417,402
Other	10,993	-	1,116	12,109
Gross Receivables	849,277	41,527	43,098	933,902
Less: Allowance for uncollectibles	(436,926)	-	(22,658)	(459,584)
Net Total Receivables	$ 412,351	$ 41,527	$ 20,440	$ 474,318

The accounts receivable balance in the General Fund is made up of the uncollected billings for EMS charges as of December 31, 2012. 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, 2012, are as follows:

	Federal	State	Total
Fund:			
General	$ 24,257	$ 58,360	$ 82,617
SPLOST	-	65,585	65,585
Total	$ 24,257	$ 123,945	$ 148,202

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, 2012, were as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	E911 Fund	$ 222,321
General Fund	Landfill Fund	86,046
General Fund	Nonmajor governmental fund	203
Total		$ 308,570

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	General Fund	Total
Transfer out:			
General fund	$ 73,428	$ -	$ 73,428
Landfill fund	-	65,000	65,000
Total	$ 73,428	$ 65,000	$ 138,428

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, 2012, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 987,445	$ 102,722	$ -	$ 1,090,167
Construction in progress	195,528	381,066	-	576,594
Total capital assets, not being depreciated	1,182,973	483,788	-	1,666,761
Capital assets, being depreciated:				
Buildings	8,561,214	-	-	8,561,214
Furniture and Fixtures	439,849	-	-	439,849
Machinery and equipment	2,486,204	168,295	-	2,654,499
Infrastructure	6,309,796	316,800	-	6,626,596
Vehicles	1,000,021	69,865	-	1,069,886
Land improvements	6,000	-	-	6,000
Total capital assets being depreciated	18,803,084	554,960	-	19,358,044
Less accumulated depreciation for:				
Buildings	(2,178,842)	(189,667)	-	(2,368,509)
Furniture and Fixtures	(324,178)	(54,601)	-	(378,779)
Machinery and equipment	(1,919,449)	(164,816)	-	(2,084,265)
Infrastructure	(251,628)	(330,274)	-	(581,902)
Vehicles	(657,481)	(124,418)	-	(781,899)
Land improvements	(600)	(400)	-	(1,000)
Total accumulated depreciation	(5,332,178)	(864,176)	-	(6,196,354)
Total capital assets, being depreciated, net	13,470,906	(309,216)	-	13,161,690
Governmental activities capital assets, net	$ 14,653,879	$ 174,572	$ -	$ 14,828,451
Depreciation expense was charged to functions / programs of the primary government as follows:				
Governmental activities:				
General government				$ 24,075
Public safety				316,140
Public works				484,677
Health and welfare				34,567
Recreation				4,717
Total depreciation expense - governmental activities				$ 864,176

	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	243,056	-	-	243,056
Total capital assets being depreciated	260,349	-	-	260,349
Less accumulated depreciation for:				
Furniture and Fixtures	(17,293)	-	-	(17,293)
Machinery and equipment	(149,135)	(24,306)	-	(173,441)
Total accumulated depreciation	(166,428)	(24,306)	-	(190,734)
Total capital assets, being depreciated, net	93,921	(24,306)	-	69,615
Business-type activities capital assets, net	$ 325,081	$ (24,306)	$ -	$ 300,775

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, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 56,426	$ 48,665	$ (65,740)	$ 39,351	$ 33,448
Governmental activity Long-term liabilities	$ 56,426	$ 48,665	$ (65,740)	$ 39,351	$ 33,448

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	$ 5,689	$ 2,665	$ (5,471)	$ 2,883	$ 2,883
Landfill closure	1,900,980	55,246	-	1,956,226	-
Business-type activity Long-term liabilities	$ 1,906,669	$ 57,911	$ (5,471)	$ 1,959,109	$ 2,883

NOTE 10 – COMMITMENTS

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 $2,679,302. The County has no responsibility for closure costs associated with Athens-Clarke County landfill. The percentage of landfill capacity used as of December 31, 2012, is 48%, and the estimated remaining landfill life is 15 years. As of December 31, 2012, the County had recorded a liability for closure and post closure costs totaling $1,956,226.

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, 2011, 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)
12/31/11	$2,187,698	$2,209,757	$22,059	99.0%	$1,591,738	1.4%

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, 2011.

Actuarial Assumptions:

1. Rate of return on the investment of present and future assets of 7.75% per year.
2. Projected salary increases of 5.0% 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, 2012, 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 $95,444, ($95,444 employer and $-0- employee), were made in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2012.

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, 2012, based upon employee data as of January 1, 2012, and based upon available pension assets as of December 31, 2012.

Current Plan Membership and Payroll:

Employee membership data related to the plan membership as of January 1, 2012, is as follows:

Retirees and beneficiaries currently receiving benefits	24
Terminated employees entitled to benefits but not yet receiving them	35
Disabled in pay status	2
Current active employees	58
Total Membership in the plan	119

The County's covered payroll as of January 1, 2012, (the most recent actuarial valuation date) was $1,670,791. Total payroll was $3,273,801.

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	$ 95,444
Interest on Net Pension Obligation	(53,039)
Amortization of Net Pension Obligation	56,751
Annual Pension Cost	$ 99,156

Derivation of Net Pension Obligation:

Annual Pension Cost for Current Year	$ 99,156
Actual Contributions to Plan for Current Year	95,444
Increase in Net Pension Obligation/(Asset)	3,172
Net Pension Obligation/(Asset), as of December 31, 2011	(684,380)
Net Pension Obligation/(Asset), as of December 31, 2012	$ (680,668)

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)
2012	$ 99,156	$ 95,444	96%	$ (680,668)
2011	188,618	188,525	100%	(684,380)
2010	171,134	174,032	102%	(684,473)

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.

C. 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, 2012 were $660 by the employees and $0 by the County.

NOTE 12 – 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, 2012, 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.

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REQUIRED SUPPLEMENTARY INFORMATION

OGLETHORPE COUNTY, GEORGIA

SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2012
(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}
12/31/2011	$ 2,187,698	*	$ 2,209,757	$ 22,059	99.0%	$ 1,591,738	1.4%
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.

SUPPLEMENTARY INFORMATION

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.

2012 SPLOST Fund – This fund is used to account for SPLOST monies received for approved projects.

OGLETHORPE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Special Revenue Funds				Capital Project Funds	Total Nonmajor Governmental Funds
	Drug Enforcement	Jail	Law Library	Drug Seizure	2012 SPLOST	
ASSETS						
Cash and cash equivalents	$ 71,454	$ 84,046	$ 11,838	$ 13,501	$ 126,400	$ 307,239
Certificates of deposit	-	-	15,110	-	-	15,110
Due from other governments	-	-	-	-	65,585	65,585
Total Assets	$ 71,454	$ 84,046	$ 26,948	$ 13,501	$ 191,985	$ 387,934
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ 23,042	$ -	$ -	$ -	$ 23,042
Due to other funds	-	203	-	-	-	203
Total Liabilities	-	23,245	-	-	-	23,245
Fund Balances:						
Restricted	71,454	60,801	26,948	13,501	191,985	364,689
Total Fund Balances	71,454	60,801	26,948	13,501	191,985	364,689
Total Liabilities and Fund Balances	$ 71,454	$ 84,046	$ 26,948	$ 13,501	$ 191,985	$ 387,934

OGLETHORPE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Funds				Capital Project Funds	Total Nonmajor Governmental Funds
	Drug Enforcement	Jail	Law Library	Drug Seizure	2012 SPLOST	
Revenues:						
Sales taxes	$ -	$ -	$ -	$ -	$ 191,985	$ 191,985
Fines	4,735	16,810	4,005	22,476	-	48,026
Investment earnings	157	132	36	-	-	325
Total Revenues	4,892	16,942	4,041	22,476	191,985	240,336
Expenditures:						
Current:						
General government	-	-	2,776	-	-	2,776
Public safety	621	45,819	-	16,068	-	62,508
Capital Outlay	-	7,406	-	-	-	7,406
Total Expenditures	621	53,225	2,776	16,068	-	72,690
Net change in fund balances	4,271	(36,283)	1,265	6,408	191,985	167,646
Fund Balance, beginning of year	67,183	97,084	25,683	7,093	-	197,043
Fund Balance, end of year	$ 71,454	$ 60,801	$ 26,948	$ 13,501	$ 191,985	$ 364,689

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, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Fines and forfeitures	$ 3,000	$ 4,735	$ 1,735
Interest income	-	157	157
Total Revenues	3,000	4,892	1,892
Expenditures:			
Current:			
Public Safety	59,000	621	58,379
Total Expenditures	59,000	621	58,379
Net change in fund balance	(56,000)	4,271	60,271
Fund Balance - Beginning of Year	67,183	67,183	-
Fund Balance - End of Year	$ 11,183	$ 71,454	$ 60,271

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, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Fines and forfeitures	$ 17,000	$ 16,810	$ (190)
Interest income	-	132	132
Total Revenues	17,000	16,942	(58)
Expenditures:			
Current:			
Public Safety	114,594	45,819	68,775
Capital Outlay	7,406	7,406	-
Total Expenditures	122,000	53,225	68,775
Net change in fund balance	(105,000)	(36,283)	68,717
Fund Balance - Beginning of Year	97,084	97,084	-
Fund Balance - End of Year	$ (7,916)	$ 60,801	$ 68,717

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, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Fines and forfeitures	$ 14,000	$ 4,005	$ (9,995)
Interest income	-	36	36
Total Revenues	14,000	4,041	(9,959)
Expenditures:			
Current:			
General government	8,400	2,776	5,624
Total Expenditures	8,400	2,776	5,624
Net change in fund balance	5,600	1,265	(4,335)
Fund Balance - Beginning of Year	25,683	25,683	-
Fund Balance - End of Year	$ 31,283	$ 26,948	$ (4,335)

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, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Confiscated funds	$ 13,000	$ 22,476	$ 9,476
Total Revenues	13,000	22,476	9,476
Expenditures:			
Current:			
Public Safety	19,483	16,068	3,415
Total Expenditures	19,483	16,068	3,415
Net change in fund balance	(6,483)	6,408	12,891
Fund Balance - Beginning of Year	7,093	7,093	-
Fund Balance - End of Year	$ 610	$ 13,501	$ 12,891

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Total - All Agency Funds				
Assets				
Cash and cash equivalents	$ 621,893	$ 8,755,288	$ 7,739,946	$ 1,637,235
Total Assets	$ 621,893	$ 8,755,288	$ 7,739,946	$ 1,637,235
Liabilities				
Due to State of Georgia	$ 53,046	$ 613,977	$ 629,680	$ 37,343
Due to Board of Education	462,621	7,570,195	6,537,922	1,494,893
Due to Other Governments	267	4,815	4,915	167
Funds held in escrow	81,694	74,169	85,930	69,934
Due to others	24,265	492,132	481,499	34,898
Total Liabilities	$ 621,893	$ 8,755,288	$ 7,739,946	$ 1,637,235

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Superior Court				
Assets				
Cash and cash equivalents	$ 51,427	$ 251,214	$ 249,515	$ 53,126
Total Assets	$ 51,427	$ 251,214	$ 249,515	$ 53,126
Liabilities				
Funds held in escrow	$ 39,702	$ 49,790	$ 53,337	$ 36,155
Due to others	11,725	201,424	196,178	16,971
Total Liabilities	$ 51,427	$ 251,214	$ 249,515	$ 53,126
Magistrate Court				
Assets				
Cash and cash equivalents	$ 1,454	$ 88,027	$ 87,628	$ 1,853
Total Assets	$ 1,454	$ 88,027	$ 87,628	$ 1,853
Liabilities				
Due to others	$ 1,454	$ 88,027	$ 87,628	$ 1,853
Total Liabilities	$ 1,454	$ 88,027	$ 87,628	$ 1,853

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Probate Court				
Assets				
Cash and cash equivalents	$ 6,365	$ 88,246	$ 79,075	$ 15,536
Total Assets	$ 6,365	$ 88,246	$ 79,075	$ 15,536
Liabilities				
Funds held in escrow	$ 710	$ 19,299	$ 15,943	$ 4,066
Due to others	5,655	68,947	63,132	11,470
Total Liabilities	$ 6,365	$ 88,246	$ 79,075	$ 15,536
Sheriff's Department				
Assets				
Cash and cash equivalents	$ 2,994	$ 54,577	$ 53,301	$ 4,270
Total Assets	$ 2,994	$ 54,577	$ 53,301	$ 4,270
Liabilities				
Other	$ 2,994	$ 54,577	$ 53,301	$ 4,270
Total Liabilities	$ 2,994	$ 54,577	$ 53,301	$ 4,270

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Tax Commissioner's Office				
Assets				
Cash and cash equivalents	$ 559,652	$ 8,273,224	$ 7,270,427	$ 1,562,449
Total Assets	$ 559,652	$ 8,273,224	$ 7,270,427	$ 1,562,449
Liabilities				
Due to State of Georgia	$ 53,046	$ 613,977	$ 629,680	$ 37,343
Due to Board of Education	462,623	7,570,195	6,537,922	1,494,896
Due to Other Governments	268	4,815	4,915	168
Funds held in Escrow	41,193	5,080	16,650	29,623
Other	2,522	79,157	81,260	419
Total Liabilities	$ 559,652	$ 8,273,224	$ 7,270,427	$ 1,562,449

OGLETHORPE COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
YEAR ENDED DECEMBER 31, 2012

Project	Original Estimated Cost	Expenditures Prior Year(s)	Expenditures Current Year	Expenditures Total
2007 SPLOST				
Roads and bridges	$ 4,655,000	$ 1,064,586	$ 506,709	$ 1,571,295
Public Safety:				
Sheriff Vehicles	330,000	145,048	70,115	215,163
Ambulance (see Note 1)	165,000	240,378	-	240,378
EMS Building	750,000	-	-	-
Emergency Services	600,000	49,834	-	49,834
911 Upgrade	200,000	-	-	-
Infrastructure:				
Water Reservoir	500,000	-	-	-
Facilities Improvement	250,000	337,459	438,714	776,173
Sewage startup	200,000	-	-	-
Computer update	100,000	90,850	36,926	127,776
Recreation	250,000	72,525	40,136	112,661
Totals	$ 8,000,000	$ 2,000,680	$ 1,092,600	$ 3,093,280

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.

2012 SPLOST				
Roads and bridges	$ 3,904,000	$ -	$ -	$ -
Public Safety:				
Sheriff Vehicles	464,000	-	-	-
Ambulance	224,000	-	-	-
Emergency Services	279,200	-	-	-
Infrastructure:				
Water Reservoir	344,000	-	-	-
Facilities Improvement	2,000,000	-	-	-
Sewage startup	128,800	-	-	-
Computer update	152,000	-	-	-
Recreation	504,000	-	-	-
Totals	$ 8,000,000	$ -	$ -	$ -

GOVERNMENTAL REPORTS

CLIFTON, LIPFORD, HARDISON & PARKER, LLC

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Truman W. Clifton (1902-1989)

INDEPENDENT AUDITOR'S 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 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Oglethorpe County, Georgia (the "County") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 18, 2013. Our report includes a reference to other auditors. 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

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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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 the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. 2010-02, 2012-01, 2012-02, 2012-03.

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 following deficiency described in the accompanying schedule of findings and responses to be a significant deficiency. 2012-04.

Compliance and Other Matters

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*.

Oglethorpe County, Georgia's Response to Findings

Oglethorpe County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Macon, Georgia
June 18, 2013

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
The daily reports prepared by Landfill personnel are not being reconciled to the receipt books, bank deposits or final general ledger posting.

CONTEXT
A manual general ledger accounting system is being used by the County.

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 2013 as well as implementation of a miscellaneous Accounts Receivable software package to strengthen controls in this area.

2012-01 Accounts Receivable/Revenue

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 period.

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

CONTEXT
Material audit adjustments were needed to fairly state and classify accounts receivable and revenue for the year ended December 31, 2012. The adjustments are summarized as follows:

- Adjustments of $14,571 were necessary in the General Fund to increase Superior Court revenue.
- Adjustment of $13,245 was necessary in the General Fund to decrease interest income.
- Adjustment of $388,635 was necessary in the LMIG Fund to decrease intergovernmental revenues and increase deferred revenue.
- Adjustment of $20,305 was necessary in the E911 Fund to increase E911 revenue.

EFFECT
The County produced financial reports, which contained material errors.

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

RECOMMENDATION
We recommend that the County develop procedures to insure the recording of revenues when they become measurable and available to finance expenditures of the fiscal period. We also recommend that the County provide training for employees on accrual accounting of revenues and receivables.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Changes in personnel and the associated lack of training of policies and procedures contributed to this finding. Current County staff have been trained to identify revenue on the GAAP basis and will improve this in the next fiscal year.

2012-02 Accounts Payable/Expenditures or Expenses

CRITERIA
Accounts payable should reflect obligations which have been incurred, but remain unpaid at year-end.

CONDITION
Various expenditures or expense items were not recorded in the proper fiscal period.

CONTEXT
Material audit adjustments were needed to fairly state and classify expenditures or expenses for the year ended December 31, 2012. The adjustments are summarized as follows:

- Adjustment of $95,444 was necessary in the General Fund to increase pension expenditures.
- Adjustment of $17,293 was necessary in the Landfill Fund to increase depreciation expense.

EFFECT
The County produced financial reports, which contained material errors.

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

RECOMMENDATION
We recommend that the County establish procedures to insure the proper accrual and classification of all liabilities incurred during the fiscal period. We also recommend that the County provide training in proper governmental accounting procedures.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Changes in personnel and the associated lack of training of policies and procedures contributed to this finding. Current County staff have been trained to identify expenses on the GAAP basis and will improve this in the next fiscal year.

2012-03 Fuel Inventory

CRITERIA
Subsidiary records of fuel inventory should be reconciled with the general ledger each month.

CONDITION
The fuel inventory subsidiary records were not being reconciled to the general ledger.

CONTEXT
A material audit adjustment was needed to decrease the fuel inventory balance by $24,419.

EFFECT
The County produced financial reports, which contained material errors.

CAUSE
A clerical error was made when preparing the subsidiary records, causing the year-end fuel inventory balance to be overstated. The County lacked accounting procedures to insure the reconciliation of fuel inventory subsidiary records to the general ledger.

RECOMMENDATION
We recommend that the County establish procedures to insure the proper accounting for and reconciliation of the fuel inventory. We also recommend that the County provide training for employees on inventory accounting.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Proper procedures have been created to ensure the proper accrual and accounting of the fuel inventory. Additionally, staff has been trained in general inventory control accounting techniques.

2012-04 Law Library Fund – Timely Deposits

CRITERIA
An adequate internal control system requires that cash deposits be made on a timely basis.

CONDITION
Deposits are not being made to the Law Library bank account on a timely basis.

CONTEXT
For the year ended December 31, 2012, only four deposits were made to the Law Library account. During our audit testing, we identified a $378 check from the Probate Court that had been outstanding for seven months.

EFFECT
Failure to make timely deposits could increase the likelihood of misappropriation of assets and affect the collectability of checks held.

CAUSE
The Law Library has not established adequate controls over the fines remitted and the bank account.

RECOMMENDATION
We recommend that the Law Library make deposits, at a minimum, on a weekly basis.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County will communicate the issue to the Law Library Custodian and will strongly recommend depositing immediately upon receipt of funds.

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