PEACH COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2011

INTRODUCTORY SECTION

PEACH COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

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PEACH COUNTY, GEORGIA

LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2011

ELECTED

Melvin E. Walker, Jr., Chairman

Martin Moseley, Vice Chairman

Michael Dinkins, County Commissioner

Roy Lewis, County Commissioner

Walter Smith, County Commissioner

STAFF

Marcia W. Johnson, County Administrator

PEACH COUNTY, GEORGIA

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FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Peach County, Georgia
Fort Valley, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Peach County, Georgia** (the County) as of and for the year ended September 30, 2011, which collectively comprise Peach County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the component unit financial statements of the Peach County Health Department, which statements reflect total assets of $545,038 as of June 30, 2011, and total revenues of $518,210 for the year ended June 30, 2011. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Peach County Health Department, is based on the report of the other auditors.

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

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Peach County, Georgia as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* as of October 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2012, on our consideration of Peach 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 3 through 16) and the Schedule of Funding Progress (on page 60) 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Peach County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Peach County, Georgia. The schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Macon, Georgia
March 26, 2012

Management's Discussion and Analysis

As management of Peach County, Georgia (the "County"), we offer readers of Peach County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements, and the notes to the financial statements.

Financial Highlights

- The assets of Peach County exceeded its liabilities at September 30, 2011, by $55,071,244 (net assets). Of this amount, $3,171,343 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Primary Government's total net assets increased by $979,964 for the year ended September 30, 2011.
- At September 30, 2011, the total net assets at the government-wide level consisted of $38,932,028 invested in capital assets net of related debt, $12,967,873 in restricted net assets, and $3,171,343 in unrestricted net assets. The County's General Fund reported a fund balance of $5,812,806, a decrease of $119,655 or 2% below the last fiscal year.
- Peach County's total debt decreased by $2,671,995 during the current fiscal year due primarily to the annual payment against the County's $15,015,000 in general obligation bonds and due to a 10% reduction in landfill post closure care costs.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Peach 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Peach County's finances, in a manner similar to a private-sector business. There are two government-wide statements, the statement of net assets and the statement of activities, which are described below.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement consolidates the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and 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 user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, culture and recreation, health and welfare services, and conservation and development services. The business-type activities of Peach County include solid waste collection.

The government-wide financial statements include not only Peach County itself (known as the primary government), but also a legally separate development authority, a legally separate library, and a legally separate heath department, for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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. Peach County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of Peach County can be divided into three (3) 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 fiscal 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. Both 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 fiscal year ended September 30, 2011, the County maintained thirteen (13) individual governmental funds to account for the following activities: General; Special Revenues (Law Library, Drug, Federal Drug, Jail Inmate Canteen, Emergency 911, Hotel/Motel Taxes, Air OneGeorgia Fund, and Transit System); and Capital Projects (1994 Sales Tax for Landfills and Buildings, 2000 Sales Tax for Water, Sewer & Waste Water Treatment System, the 2004 SPLOST, and the 2008 SPLOST). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Water, Sewer & Waste Water Treatment System Fund, the 2004 SPLOST Fund, and the 2008 SPLOST Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for the General Fund and Special Revenue Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with budget requirements. Budgets are adopted for Capital Project Funds on a project-length basis.

Proprietary Funds. Proprietary funds may be either Enterprise Funds or Internal Service Funds. However, Peach County only maintains one Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Peach County uses an enterprise fund to account for its solid waste collection operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Peach County's solid waste collection operation, which is considered to be a major fund of Peach County. Individual fund data for this enterprise fund is provided in the government-wide financial statements on pages 17-20. The basic proprietary fund financial statements can be found on pages 26-28.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements 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. The basic fiduciary fund financial statements can be found on page 29.

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. The notes to the financial statements can be found on pages 30-59 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Peach County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 60 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Peach County, assets exceed liabilities by $55,071,244 at the close of the most recent fiscal year.

By far the largest portion of the County's net assets (71%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Long-term liabilities decreased by $2,671,995 as of September 30, 2011, as compared to 2010. The decrease is primarily the result of Peach County making a payment of $2,385,000 on the County's general obligation bonds of $15,015,000 and a $211,350 reduction in landfill post closure care costs.

PEACH COUNTY'S NET ASSETS

	Governmental - - - Activities - - -		Business-Type - - - Activities - - -		- - - Total - - -	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 28,662,021	$ 33,469,113	$ 745,413	$ 706,317	$ 29,407,434	$ 34,175,430
Capital assets	$ 48,934,981	$ 46,776,892	$ -	$ -	$ 48,934,981	$ 46,776,892
Total Assets	$ 77,597,002	$ 80,246,005	$ 745,413	$ 706,317	$ 78,342,415	$ 80,952,322
Long-term liabilities outstanding	$ 13,123,609	$ 15,795,604	$ -	$ -	$ 13,123,609	$ 15,795,604
Other liabilities	$ 9,402,149	$ 10,359,121	$ 745,413	$ 706,317	$ 10,147,562	$ 11,065,438
Total liabilities	$ 22,525,758	$ 26,154,725	$ 745,413	$ 706,137	$ 23,271,171	$ 26,861,042
Net assets:						
Invested in capital assets, net of related debt	$ 38,932,028	$ 38,227,369	$ -	$ -	$ 38,932,028	$ 38,227,369
Restricted for Capital Assets	$ 12,967,873	$ 11,800,939	$ -	$ -	$ 12,967,873	$ 11,800,939
Unrestricted	$ 3,171,343	$ 4,062,972	$ -	$ -	$ 3,171,343	$ 4,062,972
Total net assets	$ 55,071,244	$ 54,091,280	$ -	$ -	$ 55,071,244	$ 54,091,280

A portion of Peach County's net assets (24%) represents resources that are subject to external restrictions on how they may be used. These funds are to be used for capital projects designated in one of four different Special Purpose Local Option Sales Tax Funds (1994, 2000, 2004, and 2008). Restricted net assets increased $1,166,934 primarily due to the beginning of construction of the Peach County Law Enforcement Center Renovation and Expansion Project approved in the 2008 Special Purpose Local Option Sales Tax referendum. This project is expected to be completed in early 2012. The remaining balance of unrestricted net assets ($3,171,343) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Peach County is able to report a positive balance in all "Governmental Activities" categories of net assets. However, revenues in the "Business-Type Activities" category for the Solid Waste Fund fell short of expenditures by $151,763 in 2011, bringing overall net assets in the "Business-Type Activities" category for the Solid Waste Fund to a negative $151,763. A transfer of $151,763 was made from Governmental Activities to Business-Type Activities to bring net assets back to zero in the Solid Waste Fund. The government's net assets increased by $979,964, representing a 2% increase primarily due to the County's increased investment in capital assets and its decrease in long term debt.

Governmental Activities. Governmental activities increased the County's net assets by $979,964 during 2011, thereby accounting for 100% of the total increase in net assets. Key elements of this increase are as follows:

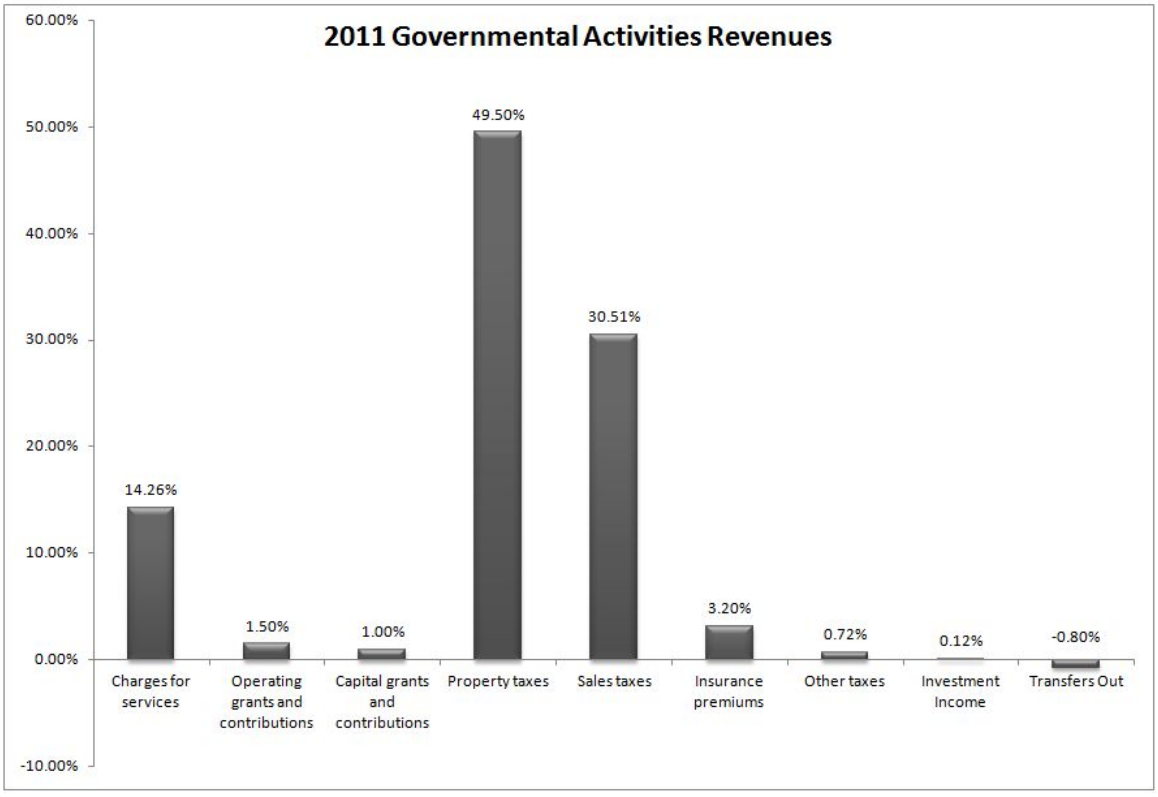
PEACH COUNTY'S CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for services	$ 2,713,510	$ 2,836,794	$ 760,197	$ 781,959	$3,473,707	$ 3,618,753
Operating grants and contributions	$ 285,495	$ 314,898	$ -	$ -	$ 285,495	$ 314,898
Capital grants and contributions	$ 190,584	$ 351,702	$ -	$ -	$ 190,584	$ 351,702
General revenues:						
Property taxes	$ 9,418,246	$ 9,484,037	$ -	$ -	$9,418,246	$ 9,484,037
Sales taxes	$ 5,804,960	$ 5,739,274	$ -	$ -	$5,804,960	$ 5,739,274
Insurance premiums	$ 608,017	$ 625,164	$ -	$ -	$ 608,017	$ 625,164
Other taxes	$ 136,098	$ 163,325	$ -	$ -	$ 136,098	$ 163,325
Investment Income	$ 22,942	$ 33,384	$ -	$ -	$ 22,942	$ 33,384
Total revenues	$ 19,179,852	$19,548,578	$ 760,197	$ 781,959	$19,940,049	$20,330,537
Expenses						
General government	$ 3,140,705	$ 2,998,851	$ -	$ -	$ 3,140,705	$ 2,998,851
Judicial	$ 1,516,182	$ 1,545,727	$ -	$ -	$ 1,516,182	$ 1,545,727
Public safety	$ 8,370,016	$ 8,211,536	$ -	$ -	$ 8,370,016	$ 8,211,536
Public works	$ 2,340,166	$ 2,267,015	$ -	$ -	$ 2,340,166	$ 2,267,015
Health and Welfare	$ 731,504	$ 738,869	$ -	$ -	$ 731,504	$ 738,869
Culture and recreation	$ 758,397	$ 716,833	$ -	$ -	$ 758,397	$ 716,833
Conservation and development	$ 696,516	$ 913,621	$ -	$ -	$ 696,516	$ 913,621
Solid waste	$ -	$ -	$ 911,960	$ 887,519	$ 911,960	$ 887,519
Interest on Long-Term Debt	$ 494,639	$ 630,072	$ -	$ -	$ 494,639	$ 630,072
Total expenses	$ 18,048,125	$18,022,524	$ 991,960	$ 887,519	$18,960,085	$18,910,043
Change in net assets before transfers	$ 1,131,727	$ 1,526,054	$ (151,763)	$ (105,560)	$ 979,964	$ 1,420,494
Transfers	$ (151,763)	$ (208,838)	$ 151,763	$ 208,838	$ -	$ -
Change in net assets	$ 979,964	$ 1,317,216	$ -	$ 103.278	$ 979,964	$ 1,420,494
Net Assets, Beginning of Year	$ 54,091,280	$52,774,064	$ -	$(103,278)	$54,091,280	$52,670,786
Net Assets, End of Year	$ 55,071,244	$54,091,280	$ -	$ -	$55,071,244	$54,091,280

Peach County's 2011 revenues for governmental activities decreased approximately 2% over 2010 revenues. While 2011 sales tax revenues saw a 1% increase over 2010, there is an indication that consumers still have an inability or unwillingness to spend money during the current economic times. Revenues in all categories excluding sales taxes saw a slight reduction, as follows:

Program revenues:	Reduction
Charges for services	-4%
Operating grants and contributions	-9%
Capital grants and contributions	-46%
General revenues:	
Property taxes	-1%
Sales taxes	1%
Insurance premiums	-3%
Other taxes	-17%
Investment Income	-31%
Gain on Sale of Capital Assets	0%

While current economic times can be cited as the cause for much of the reduced revenues, this is not the case with the reduction in property tax revenues. Continued efforts to collect delinquent taxes has vastly reduced the amount of collectible prior year taxes which has been previously included in the totals for property tax collections.



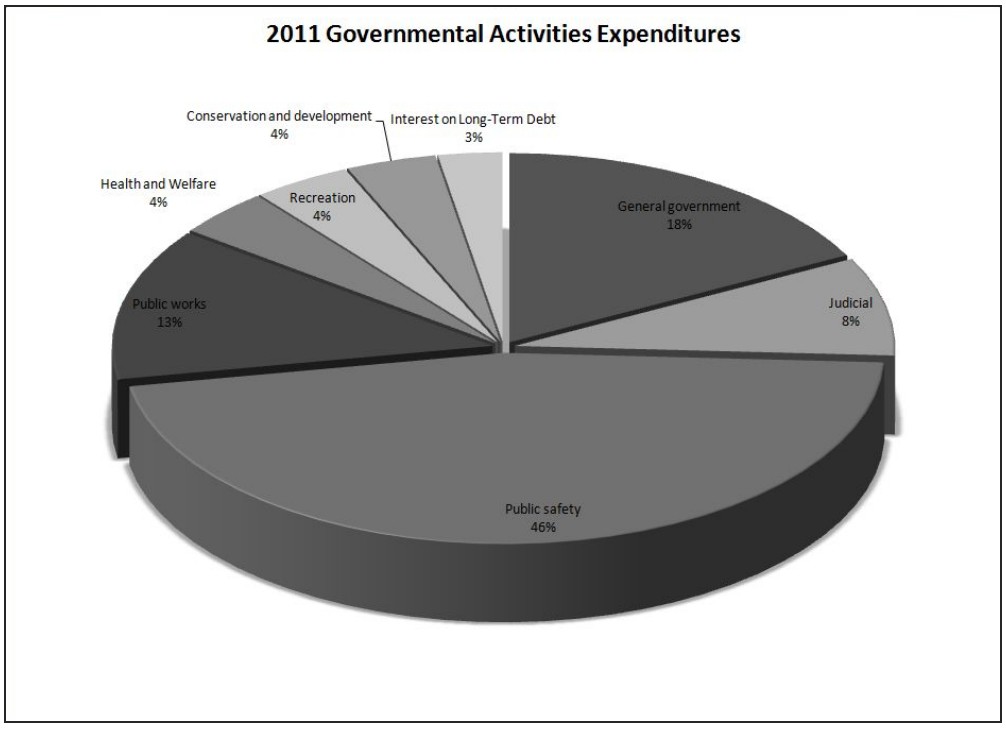
Overall expenditures for governmental activities showed only a marginal increase of less than 1% in 2011 as compared with 2010. There were no payouts to the City of Fort Valley or the City of Byron from the 2000 SPLOST Fund for Water, Sewer, & Waste Water Treatment Systems in 2011. However, there will be additional payouts made to the City of Byron in 2012 because of a new amendment to the Intergovernmental Agreement for water and sewer services in Peach County. This will be discussed in greater detail later in this report.

A 1.75% cost of living adjustment was awarded to all regular full-time and regular part-time employees for 2011.

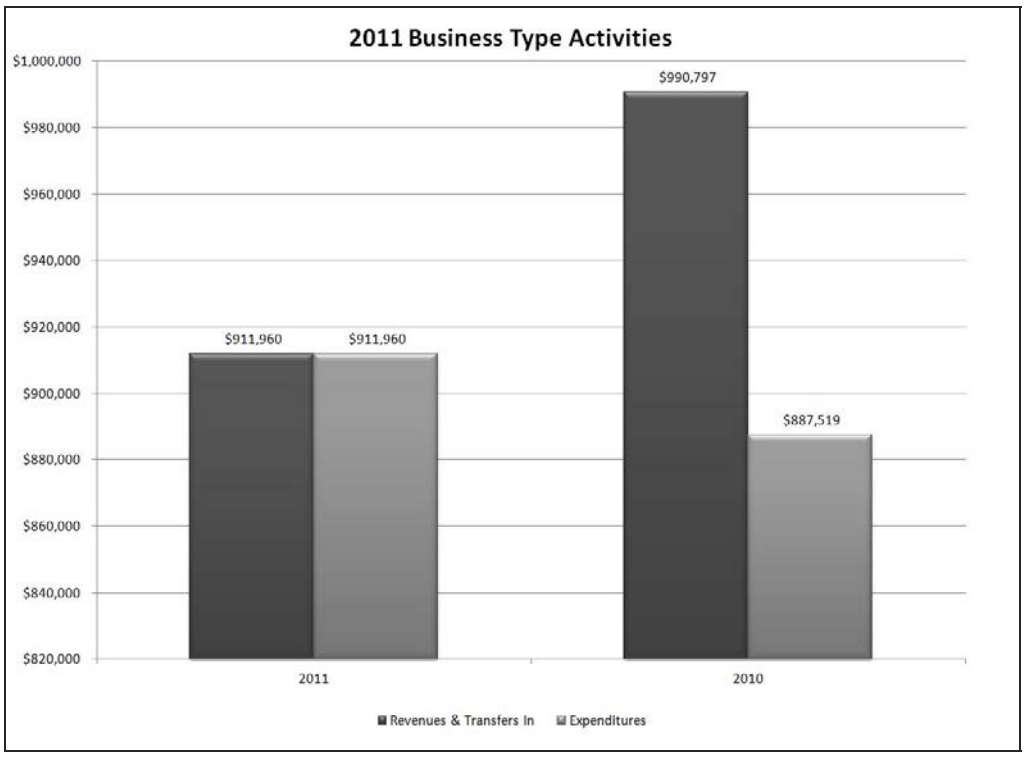
Conservation and development expenditures decreased 24% in 2011 as compared to 2010. While the Perry-Houston County Airport Authority continued work on the Air OneGeorgia Grant project for the Runway 36 ILS Glide Slope and Airport Road Realignment, progress made in 2011 as evidenced through the channeling of funding through Peach County only amounted to $97,976. This project is expected to be completed in late 2012 or early 2013.

During the year ended September 30, 2003, the Development Authority issued tax-exempt and taxable revenue bonds in the aggregate amount of $3,977,000. The bond proceeds were used to refund the Development Authority's series 2000 revenue bonds. The principal and interest on the bonds are payable from the lease payments made to the Development Authority from Valley Industrial Products located in the former Step 2 Building on Ira Hicks Boulevard in Fort Valley, Georgia, with the balance of the payment being funded through general revenues of Peach County. Peach County's obligation under this agreement is as follows:

Year Ending September 30,	Principal	Interest	Debt Service	Lease	Peach County Portion
2011	$ 366,000.00	$ 71,609.94	$ 437,609.94	$ 193,806.00	$ 243,803.94
2012	$ 396,000.00	$ 54,247.88	$ 450,247.88	$ 258,408.00	$ 191,839.88
2013	$ 426,000.00	$ 35,185.30	$ 461,185.30	$ 258,408.00	$ 202,777.30
2014	$ 451,000.00	$ 15,062.65	$ 466,062.65	$ 258,408.00	$ 207,654.65
2015	$ 80,000.00	$ 460.05	$ 80,460.05	$ 43,068.00	$ 37,392.05
Total	$ 1,719,000.00	$ 176,565.82	$ 1,895,565.82	$ 1,012,098.00	$ 883,467.82



Business-Type Activities: Peach County's solid waste collection service is shown under Business-Type Activities. As a separate unit, this service includes door to door household garbage and yard waste collection and two separate contracts for inmate crews to provide roadside and drainage cleanup. These services are paid for by an annual $144 solid waste fee included on the tax billing for each residential unit in the unincorporated area of Peach County. However, this business-type activity incurred expenditures of $911,960, exceeding its revenues by $151,763. A transfer of $151,763 was made from Prior Year Fund Balance from Governmental Activities to cover this deficit and bring net assets back to zero.



Financial Analysis of the Government's Funds

As noted earlier, 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. Fund balance is one of the most commonly used pieces of governmental financial information and is considered key information for users of governmental financial statements that are trying to identify resources that are liquid and available to be used to provide services. The Governmental Accounting Standards Board has issued GASB 54 which now requires fund balance for governmental funds be reported in classifications that "comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent." Fund balance is first categorized as nonspendable or spendable, with nonspendable fund balance being those amounts that are not in spendable form or are legally or contractually required to be maintained intact. Fund balance that is categorized as spendable will then be further classified as restricted, committed, assigned, or unassigned based on the relative strength of the constraints that control how the specific amounts can be spent. Fund balance should be reported as restricted when the constraints on the use of its resources are either: (1) externally imposed by grantors, contributors, creditors, or laws and regulations; or (2) imposed by law through enabling legislation. These resources can be expended only for the stipulated purpose. Committed fund balance includes amounts that can be used only for the specific purpose determined by a formal action of the government's highest decision making authority. Constraints on committed amounts are imposed internally and are not legally enforceable, as with restricted amounts. Assigned fund balance amounts are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed. "Assigned" fund balance is a new term that replaces the former term "designated" fund balance. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts that are not contained in the other classifications.

As of September 30, 2011, the County's governmental funds reported combined ending fund balances of $18,815,510, representing a decrease of 17% from 2010.

PEACH COUNTY'S GOVERNMENTAL FUND BALANCE
September 30, 2011

	General Fund	Water, Sewer, & Waste Water Treatment System Fund	2004 SPLOST Fund	2008 SPLOST Fund	Other Governmental Funds	Total Governmental Funds	
Nonspendable:							
Prepaid Items	$ 262,642	$ -	$ -	$ -	$ 19,648	$ 282,290	1.500%
Restricted for:							
Capital projects	$ -	$ 5,422,798	$4,391,173	$3,037,072	$ 43,910	$ 12,894,953	68.534%
Judicial	$ -	$ -	$ -	$ -	$ 33,209	$ 33,209	0.176%
Public safety	$ -	$ -	$ -	$ -	$ 39,232	$ 39,232	0.209%
Health and welfare	$ -	$ -	$ -	$ -	$ 479	$ 479	0.003%
Committed for:							
Public safety	$ -	$ -	$ -	$ -	$ 34,831	$ 34,831	0.185%
Assigned for:							
General government	$ 6,700	$ -	$ -	$ -	$ -	$ 6,700	0.036%
Public safety	$ 667	$ -	$ -	$ -	$ -	$ 667	0.004%
Unassigned	$5,542,797	$ -	$ -	$ -	$ (19,648)	$ 5,523,149	29.354%
	$5,812,806	$ 5,422,798	$4,391,173	$3,037,072	$ 151,661	$ 18,815,510	100.000%

The General Fund is the chief operating fund of Peach County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $5,542,797, representing a decrease of 2% from 2010. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures ($14,891,411). Unassigned fund balance represents 37% of total General Fund expenditures. The fund balance of the County's General Fund decreased by $119,655 during the current fiscal year primarily due to a transfer of $151,763 from the General Fund to the Solid Waste Collection Enterprise fund to cover expenditures not covered by the $144.00 annual fee charged to each residential unit in the unincorporated area of the County.

In 2011, the primary sources for capital purchases were the 2004 and 2008 SPLOST Funds, with only $276,185 applied from the General Fund for major capital purchases. More specific information concerning capital purchases is presented later in this report.

At September 30, 2011, the 2000 SPLOST Fund for Water, Sewer, and Waste Water Treatment Systems reflects a total fund balance of $5,422,798, which is a slight increase of .5% from 2010. Although collections for the 2000 Special Purpose Local Option Sales Tax ended September 2004, funds held have been aggressively invested in previous years in certificates of deposit when interest rates have been favorable, which accounts for the additional funding available over and above the $12,000,000 approved in the SPLOST referendum. Funding from the 2000 SPLOST was used to complete the Peach County Watershed Assessment Study and the GANO Water & Sewer System Project. In addition, intergovernmental agreements were signed by the Peach County Board of Commissioners, the City of Fort Valley, the Fort Valley Utility Commission, the City of Byron, and the Peach County Water & Sewerage Authority to distribute funding to the City of Fort Valley and the City of Byron for water, sewer, and waste water projects. Fort Valley was designated to receive a total of $7,500,000, which included a distribution of $3,500,000 toward the renovation of the Walter S. Lanter Waste Water Treatment Facility in Fort Valley and $4,000,000 toward the construction of waste water collection and treatment infrastructure in the eastern section of Peach County along Georgia Highway 96. The City of Byron was designated to receive $4,500,000 toward the renovation and expansion of the waste water treatment facility in the City of Byron and $1,000,000 for constructing and providing waste water collection and treatment infrastructure in Peach County extending from Hawk's Ridge Subdivision along easements for school property across Kay Road north along Jones Road and along Georgia Highway 247 Connector and Houser's Mill Road to Interstate Highway 75. During 2009, the City of Fort Valley/Fort Valley Utility Commission was reimbursed the remainder of its allotted appropriation of $7,094,573 for work completed on the Walter S. Lanter Waste Water Plant Renovation Project and the East Peach Sewer Project. The

City of Byron has been reimbursed a total of $398,496 for construction completed on the Hawk's Basin Sewer System Project and for engineering work completed on the proposed upgrade of its waste water treatment facility. By intergovernmental agreement approved in November 2008, the remaining balance in the 2000 SPLOST Fund for Water, Sewer, and Waste Water Treatment Systems was to be allocated to the Peach County Board of Commissioners for the purpose of providing extensions of water lines in and along the areas of Housers Mill Landfill, Clint Howard Road, and McDonald Drive in Peach County, with any remaining funds being applied by the Board of Commissioners of Peach County at the discretion of the Board of Commissioners to provide extensions of water lines in unincorporated areas of the County. The City of Byron has now determined that the proposed upgrade and renovation of its existing wastewater treatment facility is cost prohibitive and therefore, infeasible. The City of Byron has contracted with the Macon Water Authority to treat the City of Byron's wastewater and requested that the intergovernmental agreement be renegotiated to assist in constructing the wastewater transportation lines and required lift stations for the connection to the Macon Water Authority system. In 2011, a Third Amendment to the Intergovernmental Agreement was adopted which abandoned the extension of water lines in and along the areas of Housers Mill Landfill, Clint Howard Road, and McDonald Drive and designated $3,200,000 to be applied to the portion of the City of Byron's connection to the Macon Water Authority sewer system that falls within the boundaries of Peach County. All remaining funds will be allocated at the sole discretion of the Board of Commissioners, who by Board action, have designated will be applied to sewer improvements in the Southwest Peach County area in and around the Ponderosa subdivision.

The fund balance for the 2004 Special Purpose Local Option Sales Tax decreased by 10% during the current fiscal year. Sales tax collections applied to the 2004 SPLOST concluded March 31, 2009, and the fund balance in this fund will continue to diminish as approved projects are completed. Major projects still underway include the renovation and expansion of the Peach County Law Enforcement Center, Phase II renovations of the E911 Center, and additional road upgrading and paving projects. Peach County will continue to aggressively invest SPLOST funding in certificates of deposit when interest rates are favorable, which will apply additional funding to the projects approved in the 2004 SPLOST referendum.

Sales tax collections since April 1, 2009, are now applied to the 2008 Special Purpose Local Option Sales Tax, and fund balance at September 30, 2011, was $3,037,072. The SPLOST calls for a total collection of $24,000,000, to be applied to the following project areas:

APPROVED 2008 SPLOST DISTRIBUTION

	Peach County	Fort Valley	Byron	Total
Road, Street, and Bridge Purposes	$ 3,000,000	$ -	$ 1,566,000	$ 4,566,000
Buildings - Law Enforcement Center	$ 9,000,000	$ -	$ -	$ 9,000,000
Buildings - County Courthouse	$ 130,000	$ -	$ -	$ 130,000
Buildings - Spruce Street Complex	$ 395,000	$ -	$ -	$ 395,000
Buildings - Thomas Public Library	$ 25,000	$ -	$ -	$ 25,000
Cultural, Historical and Recreation Facilities	$ 700,000	$ 75,000	$ 75,000	$ 850,000
Water, Sewer, & Stormwater Projects	$ -	$ 2,500,000	$ 1,044,000	$ 3,544,000
Debt Retirement - County	$ 1,325,000	$ -	$ -	$ 1,325,000
Public Safety Facilities	$ 475,000	$ -	$ -	$ 475,000
Public Safety Equipment	$ 1,002,000	$ 500,000	$ -	$ 1,502,000
Animal Control Facilities/ Vehicles, Equipment	$ 400,000	$ -	$ -	$ 400,000
Bond Interest and Costs of Issuance	$ 1,398,000	$ -	$ 390,000	$ 1,788,000
Totals	$ 17,850,000	$ 3,075,000	$ 3,075,000	$ 24,000,000

In 2009 Peach County issued general obligation bonds in the amount of $15,015,000. The bond proceeds are being used to finance the acquisition and construction of a number of the capital projects listed above, to include the expansion and renovation of the Peach County Law Enforcement Center, further renovations at the Spruce Street Complex, the construction of a new Public Safety Facility, and the purchase of public safety equipment.

The telephone landline and wireless service fees charged to customers and paid back to Peach County to fund E911 services are insufficient to cover the entire cost of operating E911. The General Fund supplements the E911 Fund to cover costs not funded by these fees. In 2011, the General Fund supplemented the E911 Fund by $791,824, representing 69% of the total E911 expenditures of $1,155,138. The fee to Peach County residents for landline and wireless is $1.50 per line per month.

Proprietary funds. Peach County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Solid Waste Collection Fund at the end of the year was at zero due to a transfer of $151,763 from General Fund. Other factors concerning the finances for this fund have already been addressed in the discussion of Peach County's business-type activities.

General Fund Budgetary Highlights

All budget amendments are presented and approved by the governing body. Differences between the original budget and the final amended budget can be briefly summarized as follows:

- Decrease in general government functions - $2,099,582;
- Increase in judicial functions - $115,489;
- Increase in public safety functions - $1,692,471;
- Increase in public works functions - $216,391;
- Increase in health and welfare functions - $20,256;
- Increase in culture and recreation functions - $55,747; and
- Increase in conservation and development functions - $47,105.

At the time that the 2011 Budget was originally adopted, all employee benefits, including health insurance, FICA, workers' compensation, etc., were included in their entirety in the general government budget. A budget amendment was processed to reallocate these budget amounts at the department level, which accounts for the majority of the adjustments listed above.

During the current year, revenues fell short of General Fund budgetary estimates by $121,130. Expenditures fell short of budgetary estimates by $105,072.

Capital Asset and Debt Administration

Capital Assets. Peach County's investment in capital assets for its governmental activities as of September 30, 2011, amounted to $48,934,981 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, and bridges. There are no capital assets assigned to business-type activities.

Major capital projects begun or continued in 2011, but not fully completed at September 30, 2011, included the following:

- At September 30, 2011, engineered drawings had been completed for the construction of an Animal Control Facility that will be located adjacent to the Peach County Law Enforcement Center on Spruce Street. This project was approved in the 2008 Special Purpose Local Option Sales Tax referendum. This project was put out for bid in 2011, but bids received exceeded available funding. Plans are being re-engineered to bring costs more in line with available funding. Construction in progress on this project was recorded at $31,123 at the close of 2011.

- At September 30, 2011, work was nearing completion on the second phase of renovating the remainder of the E911 Facility on Persons Street. The facility when completed will be used to house the Commissioners' Office and staff and provide a larger facility for holding public meetings and functions. At September 30, 2011, construction in progress on this project was recorded at $229,939.

- Design work totaling $6,200 to construct an outdoor staging area at North Peach Park to use for small concerts and other outside activities carried forward from 2010 with no additional costs incurred toward the project in 2011. In addition, work was nearing completion on significant improvements at North Peach Recreation Park, to include walking trails, picnic pavilions, and bathrooms. Funding for this project has been provided by the 2008 SPLOST Fund and has been supplemented with grant funding from the Georgia Department of Natural Resources. Construction in progress on these additional improvements at North Peach Park was recorded at $588,465 as of September 30, 2011.

- At September 30, 2011, work had begun on paving Fullwood Road, Clint Howard Road, Brock Road, Gracewood Road, and Smyrna Church Road, and paving of Mathews Road was nearing completion. Construction in progress on these projects was recorded as $207,824.

- Plans are in place to renovate a portion of Wing C at Spruce Street Complex as a records retention center. The first steps toward this renovation included asbestos and mold removal, which was completed prior to September 30, 2007. $685 was applied toward this project in 2010 with no additional expenditures toward this project made in 2011, bringing the total construction in progress to $31,141. Work was begun in 2011 to renovate the bathroom facilities in Wings A, B, and E (DFCS Wing) of the Spruce Street Complex. Construction in progress on the bathroom facilities totaled $66,717 at September 30, 2011. In addition, the renovation of the Spruce Street Cafeteria was completed in 2011 and is no longer considered as a construction in progress project.

- Construction has begun and is nearing completion on the new J. D. "Donnie" Doles Public Safety Facility that will house a Peach County Fire Station and the Fort Valley Emergency Medical Services. Construction materials are being funded by the 2008 Special Purpose Local Option Sales Tax. However, County employees are performing the majority of the construction work. The land where the facility is being constructed on Georgia Highway 341 North was donated to the County in early 2009 by the Peach County Board of Education for this purpose. Construction in progress for this project was recorded at $556,566 at September 30, 2011. In addition, Peach County Road Department crews have been working to construct the parking lot adjacent to the Public Safety Facility. At September 30, 2011, $159,977 had been recorded to construction in progress on the parking lot portion of construction.

- Construction has begun and is nearing completion on the renovation and expansion of the Peach County Law Enforcement Center. This project is being funded by the 2004 and 2008 Special Purpose Local Option Sales Taxes. This project will vastly increase the level of security at the LEC as well as provide much needed inmate bed space. Work on this project is scheduled to be completed in early 2012. Construction in progress for this project was recorded at $9,423,412 at September 30, 2011. In addition, Peach County Road Department crews have been working to construct an access road around the new jail pod. The access road was recorded at $37,834 to construction in progress at September 30, 2011.

- Work continued on purchasing and installing Courthouse Security System Upgrades, including a security video system and key card access system. At September 30, 2011, construction in progress on this project was recorded at $81,216.

Peach County's Capital Assets Installed in 2011

ID #	CAPITAL PROJECT	FUNDING SOURCE		AMOUNT
1531	Digital Courtroom Recording System	General Revenues	$	15,091
1532	Sheriff - 2011 Ford Crown Victoria	General Revenues	$	32,829
1533	Sheriff - 2011 Ford Crown Victoria	General Revenues	$	32,964
1534	Sheriff - 2011 Ford Crown Victoria	General Revenues	$	32,604
1537	Sheriff - 2011 Ford Crown Victoria	General Revenues	$	27,784
1539	Sheriff - 2011 Ford Crown Victoria	General Revenues	$	24,205
1535	Compressor Bauer 25 CFM	General Revenues	$	48,995
1536	Generator - Silent Diesel	General Revenues	$	52,013
1538	Portable Live Scan	General Revenues	$	9,700
1527	Truck - 2010 Dodge Ram 1500 ST Pickup	2004 SPLOST	$	18,686
1528	Truck - 2011 Ford F-450	2004 SPLOST	$	38,132
1529	Truck - 2011 - Ford F-150	2004 SPLOST	$	19,679
1530	Equipment - Trailer - Deckover Trailer 25 ft	2004 SPLOST	$	7,595
			$	360,277
	CONSTRUCTION IN PROGRESS AT 9/30/2011			
1389	Courthouse Security System Upgrades	2004 SPLOST	$	81,216
1390	E911 Facility Renovation - Phase II	2004 SPLOST	$	229,939
1391	North Peach Recreation Park Amphitheater	2004 SPLOST	$	6,200
1400	Renovation - Wing C - Spruce Street Complex	2004 SPLOST	$	31,140
1420	Spruce Street Cafeteria Renovation	2004 SPLOST	$	-
1422	Road Improvements - Mathews Road	2004 SPLOST	$	142,236
1423	Road Improvements - Gracewood	2004 SPLOST	$	4,729
1426	Road Improvements - Fullwood Road	2004 SPLOST	$	11,401
1428	Road Improvements - Clint Howard Road	2004 SPLOST	$	42,858
1436	Road Improvements - Smyrna Church Road	2004 SPLOST	$	2,100
1441	Road Improvements - Brock Road	2004 SPLOST	$	4,500
1540	Spruce Street - Wings A&B Bathrooms	2004 SPLOST	$	59,593
1430	Public Safety Facility Construction	2008 SPLOST	$	556,566
1431	LEC Renovation and Expansion	2008 SPLOST	$	9,423,412
1442	Improvements - North Peach Recreation Park	2008 SPLOST	$	588,465
1516	Animal Control Facility	2008 SPLOST	$	31,123
1541	Public Safety Facility Parking Lot	2008 SPLOST	$	159,977
1542	Spruce Street Facility - DFCS Bathrooms	2008 SPLOST	$	7,124
1543	LEC Access Road	2008 SPLOST	$	37,834
			$	11,420,414

The 2004 Special Purpose Local Option Sales Tax provided funding for 7% of the capital assets installed in 2011, while the 2008 Special Purpose Local Option Sales Tax provided funding for 87%. General revenues provided funding for only 6% of capital assets installed. The E911 Fund contributed no funding to capital assets in 2011, and there were no assets donated to Peach County in 2011.

Peach County's 2011 Funding Sources for Capital Assets

General Revenues	$	276,185
2004 SPLOST	$	308,709
2008 SPLOST	$	3,949,717
E911	$	-
Donated Assets	$	-
	$	4,534,611

Peach County's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Capital Assets not being depreciated	$ 13,783,850	$ 9,720,228	$ -	$ -	$ 13,783,850	$ 9,720,228
Buildings	$ 5,943,529	$ 6,154,807	$ -	$ -	$ 5,943,529	$ 6,154,807
Improvements other than buildings	$ 1,722,757	$ 1,853,657	$ -	$ -	$ 1,722,757	$ 1,853,657
Infrastructure	$ 23,910,600	$ 25,127,651	$ -	$ -	$ 23,910,600	$ 25,127,651
Equipment	$ 3,574,245	$ 3,920,549	$ -	$ -	$ 3,574,245	$ 3,920,549
Total	$ 48,934,981	$ 46,776,892	$ -	$ -	$ 48,934,981	$ 46,776,892

Additional information on the County's capital assets can be found in Note 6 of this report.

Long-Term Debt. As of September 30, 2011, Peach County's long-term debt for Governmental Activities totaled $13,123,609, which consisted of the following items:

Bonds Payable was recorded at $10,792,573 as of September 30, 2011. The bond proceeds of $15,015,000 received in 2009 are being used to finance the acquisition and construction of a number of capital projects, to include the expansion and renovation of the Peach County Law Enforcement Center, further renovations at the Spruce Street Complex, the construction of a new Public Safety Facility, and the purchase of public safety equipment. This amount includes $10,425,000 as bonds payable and $367,573 unamortized premium.

Compensated Absences were recorded at $400,148 as of September 30, 2011. This includes the value of accrued and unused annual leave for all regular employees at the close of the budget year.

Peach County had no Notes Payable as of September 30, 2011.

Landfill Post Closure Costs were recorded at $1,930,888 as of September 30, 2011. This amount represents the estimated cost of maintaining and monitoring the Houser's Mill Landfill over the final 14 years of the required 30 year period since the landfill's closure in 1995. Additional information on the County's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets

- The Bureau of Labor and Statistics has provided a 10.5% unemployment rate for Peach County as of December 2011 as compared to 12.0% in December 2010. This compares unfavorably to the December 2011 State of Georgia's unemployment rate of 9.2% and the national rate of 8.3% for the same period. Peach County's high unemployment rate will continue to have an adverse effect on sales tax collections because of reduced incomes causing reduced spending ability.

- Information from the 2010 Census is now available. Peach County and the cities in Peach County will come together to renegotiate the distribution of Local Option Sales Tax before the end of 2012.

- In 2009, a moratorium was placed on the tax digests for Georgia counties for the 2009, 2010, and 2011 Tax Digests. Peach County was already in the process of performing a complete re-valuation of all properties, and therefore, was able to place the new property values on the books for 2009. The tax digest was frozen for 2010 and 2011. However, Peach County has not realized any significant effect on the Tax Digest due to the moratorium since the values had been so recently updated. Effective January 1, 2011, Senate Bill 346 requires the Assessors to place all bank sales on the digest at the value at which the bank sold the property, which will have a slight negative effect on the total digest.

- The 2004 and 2008 Special Purpose Local Option Sales Taxes will continue to relieve General Revenues in 2012 by funding much needed capital projects.

- A new SPLOST referendum is being placed on the ballot for consideration by the voters on March 6, 2012. If approved, this SPLOST will be a continuation of the current SPLOST, with collections scheduled to begin in April 2015. Projects included in the 2012 SPLOST Referendum are:

	PEACH COUNTY	FORT VALLEY	BYRON	TOTAL
Capital Outlay Projects for Road, Street, and Bridge Purposes (Includes Stormwater and Drainage)	$ 3,800,000	$ 1,453,000	$ 2,815,575	$ 8,068,575
Capital Outlay Projects for Courthouses, Administrative Buildings, Civic Centers, Library, Detention Facility, Solid Waste Facility	$ 4,140,000	$ 1,151,000	$ 32,550	$ 5,323,550
Capital Outlay Projects to be owned or operated or both either by the County, one or more qualified municipalities, one or more local authorities, or any combination thereof	$ 2,075,000	$ -	$ 651,000	$ 2,726,000
Capital Outlay Projects for Cultural Facilities, Recreation Facilities, or Historic Facilities	$ 400,000	$ 651,000	$ 32,550	$ 1,083,550
Capital Outlay Projects consisting of public safety facilities, airport facilities, or related capital equipment used in the operation of public safety or airport facilities, or any combination of such purposes	$ 3,348,000	$ 651,000	$ 374,325	$ 4,373,325
Capital Outlay Projects consisting of capital equipment for use in voting in official elections or referendums	$ 125,000	$ -	$ -	$ 125,000
Totals	$ 13,888,000	$ 3,906,000	$ 3,906,000	$21,700,000

Requests for Information

This financial report is designed to provide a general overview of Peach County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Marcia W. Johnson, Peach County Administrator, Peach County, 213 Persons Street, Fort Valley, Georgia 31030.

PEACH COUNTY, GEORGIA

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PEACH COUNTY, GEORGIA

STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 18,946,742	$ 38,992	$ 18,985,734
Investments	5,992	-	5,992
Taxes receivable	8,283,956	-	8,283,956
Accounts receivable, net of allowances	338,108	706,421	1,044,529
Due from other governments	622,728	-	622,728
Prepaid expenses	282,290	-	282,290
Bond issuance cost/bond premium	128,470	-	128,470
Capital assets:			
Nondepreciable	13,783,850	-	13,783,850
Depreciable, net of accumulated depreciation	35,151,131	-	35,151,131
Other noncurrent asset	53,735	-	53,735
Total assets	77,597,002	745,413	78,342,415
LIABILITIES			
Accounts payable	493,858	151,339	645,197
Accrued liabilities	739,854	-	739,854
Unearned revenues	8,056,767	705,744	8,762,511
Due to other governments	-	-	-
Internal balances	111,670	(111,670)	-
Notes payable due within one year	-	-	-
Bonds payable due within one year	2,460,000	-	2,460,000
Bonds payable due in more than one year, net of unamortized premium	8,332,573	-	8,332,573
Compensated absences due within one year	320,118	-	320,118
Compensated absences due in more than one year	80,030	-	80,030
Landfill post closure care due within one year	39,500	-	39,500
Landfill post closure care due more than one year	1,891,388	-	1,891,388
Total liabilities	22,525,758	745,413	23,271,171
NET ASSETS			
Invested in capital assets, net of related debt	38,932,028	-	38,932,028
Restricted for:			
Capital projects	12,894,953	-	12,894,953
Judicial	33,209	-	33,209
Public safety	39,232	-	39,232
Health and welfare	479	-	479
Permanent fund	-	-	-
Unrestricted	3,171,343	-	3,171,343
Total net assets	$ 55,071,244	$ -	$ 55,071,244

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

Component Units		
Development Authority	Peach Public Libraries	Health Department
$ 220,644	$ 183,007	$ 523,055
701,397	132,663	-
-	-	-
-	1,756	15,446
-	-	6,537
2,416	-	-
-	-	-
384,330	167,000	-
4,602,792	1,627,819	-
-	-	-
5,911,579	2,112,245	545,038
2,597	915	-
7,577	-	-
31,584	-	-
-	-	19,783
-	-	-
3,406	-	-
396,000	-	-
957,000	-	-
-	18,005	3,502
-	7,463	31,513
-	-	-
-	-	-
1,398,164	26,383	54,798
3,653,826	1,794,819	-
-	-	-
-	-	-
-	-	-
-	-	139,315
-	30,922	-
859,589	260,121	350,925
$ 4,513,415	$ 2,085,862	$ 490,240

PEACH COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 3,140,705	$ 427,327	$ 3,550	$ 1,908
Judicial	1,516,182	609,262	26	-
Public safety	8,370,016	1,530,108	146,021	24,714
Public works	2,340,166	53,722	-	31,486
Health and welfare	731,504	-	135,898	34,500
Culture and recreation	758,397	53,946	-	-
Conservation and development	696,516	39,145	-	97,976
Interest on long-term debt	494,639	-	-	-
Total governmental activities	18,048,125	2,713,510	285,495	190,584
Business-type activities:				
Solid waste	911,960	760,197	-	-
Total business-type activities	911,960	760,197	-	-
Total primary government	$ 18,960,085	$ 3,473,707	$ 285,495	$ 190,584
Component units:				
Development Authority	$ 390,607	$ 314,406	$ 293,804	$ -
Peach Public Libraries	497,169	15,493	460,533	-
Health Department	426,986	169,144	349,066	-
Total component units	$ 1,314,762	$ 499,043	$ 1,103,403	$ -
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Hotel/motel taxes				
Other taxes				
Unrestricted investment earnings				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

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

Changes in Net Assets						
				Component Units		
Governmental Activities	Business-type Activities	Total	Development Authority	Peach Public Libraries	Health Department
$ (2,707,920)	$ -	$ (2,707,920)	$ -	$ -	$ -
(906,894)	-	(906,894)	-	-	-
(6,669,173)	-	(6,669,173)	-	-	-
(2,254,958)	-	(2,254,958)	-	-	-
(561,106)	-	(561,106)	-	-	-
(704,451)	-	(704,451)	-	-	-
(559,395)	-	(559,395)	-	-	-
(494,639)	-	(494,639)	-	-	-
(14,858,536)	-	(14,858,536)	-	-	-
-	(151,763)	(151,763)	-	-	-
-	(151,763)	(151,763)	-	-	-
(14,858,536)	(151,763)	(15,010,299)	-	-	-
-	-	-	217,603		-
-	-	-	-	(21,143)	
-	-	-	-	-	91,224
-	-	-	217,603	(21,143)	91,224
9,418,246	-	9,418,246	-	-	-
5,804,960	-	5,804,960	-	-	-
608,017	-	608,017	-	-	-
6,572	-	6,572	-	-	-
129,526	-	129,526	-	-	-
22,942	-	22,942	3,587	1,445	-
(151,763)	151,763	-	-	-	-
15,838,500	151,763	15,990,263	3,587	1,445	-
979,964	-	979,964	221,190	(19,698)	91,224
54,091,280	-	54,091,280	4,292,225	2,105,560	399,016
$ 55,071,244	$ -	$ 55,071,244	$ 4,513,415	$ 2,085,862	$ 490,240

PEACH COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

ASSETS	General Fund	Water, Sewer, & Waste Water Treatment System Fund	2004 SPLOST Fund	2008 SPLOST Fund	Other Governmental Funds	Totals Governmental Funds
Cash and cash equivalents	$ 6,210,961	$ 5,422,798	$ 4,408,947	$ 2,752,304	$ 151,732	$ 18,946,742
Investments	-	-	-	-	5,992	5,992
Taxes receivable, net	8,283,435	-	-	-	521	8,283,956
Accounts receivable, net	276,285	-	68	-	61,755	338,108
Prepaid items	262,642	-	-	-	19,648	282,290
Due from other governments	244,594	-	-	339,690	38,444	622,728
Due from other funds	18,599	-	-	-	263	18,862
Total assets	$ 15,296,516	$ 5,422,798	$ 4,409,015	$ 3,091,994	$ 278,355	$ 28,498,678
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 364,856	$ -	$ 17,842	$ 54,922	$ 56,238	$ 493,858
Accrued liabilities	564,259	-	-	-	51,857	616,116
Deferred tax revenue	8,442,662	-	-	-	-	8,442,662
Due to other funds	111,933	-	-	-	18,599	130,532
Total liabilities	9,483,710	-	17,842	54,922	126,694	9,683,168
FUND BALANCES						
Nonspendable:						
Prepaid items	262,642	-	-	-	19,648	282,290
Restricted for:						
Capital projects	-	5,422,798	4,391,173	3,037,072	43,910	12,894,953
Judicial	-	-	-	-	33,209	33,209
Public safety	-	-	-	-	39,232	39,232
Health and welfare	-	-	-	-	479	479
Committed for:						
Public safety	-	-	-	-	34,831	34,831
Assigned for:						
General government	6,700	-	-	-	-	6,700
Public safety	667	-	-	-	-	667
Unassigned	5,542,797	-	-	-	(19,648)	5,523,149
Total fund balances	5,812,806	5,422,798	4,391,173	3,037,072	151,661	18,815,510
Total liabilities and fund balances	$ 15,296,516	$ 5,422,798	$ 4,409,015	$ 3,091,994	$ 278,355	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	48,934,981
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	385,895
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.	(13,118,877)
Net pension asset used in governmental activities is not a financial resource and, therefore, is not reported in the funds.	53,735
Net assets of governmental activities	$ 55,071,244

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

PEACH COUNTY, GEORGIA

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

	General Fund	Water, Sewer, & Waste Water Treatment System Fund	2004 SPLOST Fund	2008 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 9,400,746	$ -	$ -	$ -	$ -	$ 9,400,746
Sales taxes	2,204,129	-	-	3,680,434	-	5,884,563
Other taxes	737,543	-	-	-	6,572	744,115
Licenses and permits	92,502	-	-	-	-	92,502
Intergovernmental	240,022	-	-	-	174,399	414,421
Charges for services	1,853,853	-	-	-	369,009	2,222,862
Fines and forfeitures	341,054	-	-	-	23,865	364,919
Rental income	7,650	-	-	-	-	7,650
Interest income	22,185	22,913	19,160	16,035	757	81,050
Other revenues	29,127	-	-	-	-	29,127
Total revenues	14,928,811	22,913	19,160	3,696,469	574,602	19,241,955
Expenditures						
Current:						
General government	2,902,595	-	-	-	-	2,902,595
Judicial	1,491,000	-	-	-	20,637	1,511,637
Public safety	7,664,089	-	-	-	389,056	8,053,145
Public works	933,133	-	-	-	85,572	1,018,705
Health and welfare	647,194	-	-	-	76,720	723,914
Culture & recreation	674,283	-	-	-	-	674,283
Conservation and development	579,117	-	-	-	110,603	689,720
Intergovernmental	-	-	-	488	-	488
Capital outlay	-	-	500,604	3,823,141	-	4,323,745
Debt service:						
Principal	-	-	-	2,385,000	-	2,385,000
Interest	-	-	-	591,963	-	591,963
Total expenditures	14,891,411	-	500,604	6,800,592	682,588	22,875,195
Excess (deficiency) of revenues over (under) expenditures	37,400	22,913	(481,444)	(3,104,123)	(107,986)	(3,633,240)
Other financing sources (uses):						
Proceeds from sale of assets	217	-	-	-	-	217
Transfers in	-	-	-	-	5,509	5,509
Transfers out	(157,272)	-	-	-	-	(157,272)
Total other financing sources (uses)	(157,055)	-	-	-	5,509	(151,546)
Net change in fund balances	(119,655)	22,913	(481,444)	(3,104,123)	(102,477)	(3,784,786)
Fund balance, beginning of year	5,932,461	5,399,885	4,872,617	6,141,195	254,138	22,600,296
Fund balance, end of year	$ 5,812,806	$ 5,422,798	$ 4,391,173	$ 3,037,072	$ 151,661	$ 18,815,510

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

PEACH COUNTY, GEORGIA

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

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$	(3,784,786)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		2,255,065
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(96,976)
Some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(62,103)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		2,596,350
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		72,414
	$	979,964

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

PEACH COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Property taxes	$ 9,270,075	$ 9,524,415	$ 9,400,746	$ (123,669)
Sales taxes	2,217,370	2,204,129	2,204,129	-
Other taxes	736,543	737,543	737,543	-
Licenses and permits	122,531	92,502	92,502	-
Intergovernmental	299,312	261,437	240,022	(21,415)
Charges for services	1,915,101	1,852,655	1,853,853	1,198
Fines and forfeitures	351,301	318,625	341,054	22,429
Rental income	8,750	7,650	7,650	-
Interest income	50,000	22,184	22,185	1
Other revenues	16,032	28,801	29,127	326
Total revenues	14,987,015	15,049,941	14,928,811	(121,130)
Expenditures:				
Current:				
General government:				
County Commissioners	559,868	711,334	716,366	(5,032)
Elections	170,952	176,197	176,697	(500)
Board of Equalization	8,380	1,025	993	32
Data processing	144,050	159,059	159,862	(803)
Human resources	2,225,798	18,789	14,604	4,185
Tax Commissioner	227,513	292,982	294,416	(1,434)
Tax Assessor	377,384	418,246	421,563	(3,317)
Risk management	358,100	338,199	325,691	12,508
General government buildings and plant	543,141	565,041	568,708	(3,667)
Records management	500	330	330	-
Other general government	468,749	303,651	223,365	80,286
Total general government	5,084,435	2,984,853	2,902,595	82,258
Judicial:				
Superior Court	103,061	103,042	113,541	(10,499)
Clerk of Superior Court	211,963	254,955	255,362	(407)
District Attorney	239,946	210,367	210,305	62
District Attorney - Victim Witness	70,313	74,913	76,187	(1,274)
Magistrate Court	183,239	203,316	204,525	(1,209)
Probate Court	205,821	256,211	256,970	(759)
Juvenile Court	86,989	111,325	111,661	(336)
Public Defender	260,630	263,322	262,449	873
Total judicial	1,361,962	1,477,451	1,491,000	(13,549)
Public safety:				
Sheriff	1,713,933	2,162,877	2,121,450	41,427
Jail	1,446,441	1,915,459	1,922,673	(7,214)
Drug rehab & training	80,997	96,007	99,022	(3,015)
Probation	850	1,811	1,811	-
Fire department	995,202	1,233,386	1,228,757	4,629
Emergency medical services	1,061,679	1,349,434	1,353,720	(4,286)
Coroner	24,454	33,743	33,770	(27)
E911	545,001	765,064	791,824	(26,760)
Emergency management	108,122	111,368	111,062	306
Total public safety	5,976,679	7,669,149	7,664,089	5,060

(Continued)

PEACH COUNTY, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Public works:				
Public works department	$ 113,322	$ 191,318	$ 179,817	$ 11,501
Roadways and walkways	510,289	619,972	603,208	16,764
Solid waste recycling	118,607	147,679	147,471	208
Closure and post closure	3,000	2,640	2,637	3
Total public works	745,218	961,609	933,133	28,476
Health and Welfare:				
Health	110,325	110,174	110,174	-
Hospital indigent care	450,000	450,000	450,000	-
Welfare	25,900	24,400	24,251	149
Community services	40,512	62,419	62,769	(350)
Total health and welfare	626,737	646,993	647,194	(201)
Recreation:				
Recreation department	318,489	376,876	375,475	1,401
Libraries	301,500	298,860	298,808	52
Total recreation	619,989	675,736	674,283	1,453
Conservation and development:				
County agent	39,880	39,506	38,980	526
Georgia Forestry Commission	3,159	3,159	3,159	-
Planning and zoning	185,839	233,317	232,268	1,049
Economic development administration	299,709	299,710	299,710	-
Economic opportunity	5,000	5,000	5,000	-
Total conservation and development	533,587	580,692	579,117	1,575
Total expenditures	14,948,607	14,996,483	14,891,411	105,072
Excess of revenues over expenditures	38,408	53,458	37,400	(16,058)
Other financing sources (uses):				
Proceeds from sale of assets	1,000	217	217	-
Transfers out	(39,408)	(46,293)	(157,272)	(110,979)
Total other financing sources (uses)	(38,408)	(46,076)	(157,055)	(110,979)
Net change in fund balances	-	7,382	(119,655)	(127,037)
Fund balance, beginning of year	5,932,461	5,932,461	5,932,461	-
Fund balance, end of year	$ 5,932,461	$ 5,939,843	$ 5,812,806	$ (127,037)

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

PEACH COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2011

	Major Enterprise Fund Solid Waste Fund
ASSETS	
CURRENT ASSETS	
Cash	$ 38,992
Accounts receivable, net of allowances	706,421
Due from other funds	111,670
Total current assets	857,083
Total assets	857,083
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	151,339
Unearned revenues	705,744
Total current liabilities	857,083
Total liabilities	857,083
NET ASSETS	
Unrestricted	-
Total net assets	$ -

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

PEACH COUNTY, GEORGIA

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

	Major Enterprise Fund Solid Waste Fund
Operating revenue	
Refuse collection fees	$ 760,197
Total operating revenues	760,197
Operating expenses	
Contracted services	890,066
Supplies	21,894
Total operating expenses	911,960
Operating loss	(151,763)
Transfers in	151,763
Change in net assets	-
Net assets, beginning of year	-
Net assets, end of year	$ -

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

PEACH COUNTY, GEORGIA

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

	Major Enterprise Fund Solid Waste Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 742,467
Payments to suppliers and service providers	(878,144)
Net cash used in operating activities	(135,677)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	151,763
Net cash provided by noncapital related financing activities	151,763
Net increase in cash	16,086
Cash and cash equivalents, beginning of year	22,906
Cash and cash equivalents, end of year	$ 38,992
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (151,763)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in accounts receivable	(23,010)
Increase in due from other funds	(42,970)
Increase in accounts payable	76,786
Increase in unearned revenues	5,280
Net cash used in operating activities	$ (135,677)

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

PEACH COUNTY, GEORGIA

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

	Agency Funds
ASSETS	
Cash	$ 743,071
Taxes receivable	10,746,114
Total assets	$ 11,489,185
LIABILITIES	
Due to others	$ 11,489,185
Total liabilities	$ 11,489,185

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Peach County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

Peach County, Georgia was created by a legislative act in the State of Georgia on November 4, 1924. The County operates under a five (5) member Commission appointed-Administrator form of government and provides the following services: public safety (police and fire), public works, recreation, health and welfare services, conservation and development, and general administrative services.

The Governmental Accounting Standards Board (the "GASB") defines the reporting entity as (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Government Accounting Standards Board Statement No. 14, "The Financial Reporting Entity", the component units' financial statements have been included as discretely presented component units. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. Based upon the application of these criteria, the following is a brief review of each component unit addressed in defining the County's reporting entity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Development Authority of Peach County (the "Development Authority") is responsible for promoting industrial and commercial development within the City of Fort Valley and Peach County. The Development Authority is responsible for adopting its own annual budget and making its own operating decisions. The members of the governing board of the Development Authority are appointed by the Board of Commissioners of Peach County. Peach County provides substantially all funding for the Development Authority's annual budget and has contractually obligated itself to use its taxing powers to guarantee repayment of principal and interest on certain revenue bonds issued by the Development Authority; therefore, the Development Authority is fiscally dependent on Peach County. Separate financial statements for the Development Authority of Peach County were not prepared. Financial information for the Development Authority of Peach County is included in Peach County, Georgia's Annual Financial Report.

The Peach Public Libraries (the "Library") operates to provide public library services for the citizens of Peach County. The Library Board consists of nine members appointed by the Board of Commissioners of Peach County. The Library is without authority to determine the amount of its funding; therefore, the Library is fiscally dependent on Peach County. Separate financial statements for the Peach Public Libraries were not prepared. Financial information for the Peach Public Libraries is included in the Peach County, Georgia's Annual Financial Report.

The Peach County Health Department (the "Health Department") is governed by a seven-member board, of which five (5) members are either County officials or members appointed by the governing authority of the County. The two (2) remaining members are appointed by the City of Fort Valley. Although the County does not have the authority to approve or modify the budget of the Health Department, the County provides financial support to the Health Department. All amounts shown in the financial statements for the Health Department are for the fiscal year ended June 30, 2011.

The Peach County Health Department's financial statements may be obtained by writing to the Peach County Health Department, 406 E Church Street, Fort Valley, Georgia 31030.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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 those 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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they 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 service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major governmental funds:

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

The ***Water, Sewer and Waste Water Treatment System Fund*** is a capital projects fund used to account for capital outlays for water, sewer and waste water lines and treatment system, with financing being provided by a special purpose sales and use tax.

The ***2004 SPLOST Fund*** is a capital projects fund used to account for the revenue and expenditures relating to the 2004 one percent Special Purpose Local Option Sales Tax.

The ***2008 SPLOST Fund*** is a capital projects fund used to account for the revenue and expenditures relating to the 2008 one percent Special Purpose Local Option Sales Tax.

The County reports the following major enterprise fund:

The ***Solid Waste Fund*** is an enterprise fund that accounts for the fees and expenses associated with garbage collection and disposal services provided to the County's residents.

Additionally, the County reports the following fund types:

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

The ***Capital Project Funds*** account for the acquisition or construction of capital facilities.

The ***Trust and 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 governmental units, and/or other funds.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Amounts reported as *program revenues* include 1) charges for services 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. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Budgets

Formal budgetary accounting is employed as a management control device for the General Fund, Special Revenue Funds, and the Capital Project Funds. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund and Special Revenue Funds and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principle basis.

For the fiscal year ended September 30, 2011, annual budgets were adopted for the General Fund and all Special Revenue Funds. Budgets for Capital Project Funds are adopted on a project basis, spanning more than one fiscal year. The County Commission must approve any amendments to the budget. During the fiscal year ended September 30, 2011, no material budgetary amendments were approved by the County Commission.

E. Cash, Cash Equivalents and Investments

The County and discretely presented component units' 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash, Cash Equivalents and Investments (Continued)

Statutes authorize the County to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, and Georgia Fund 1, the Local Government Investment Pool. The County's investments and the investments of its component units are stated at fair value. Cash deposits are reported at carrying amount, which is fair value.

F. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statement of net assets. In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds." In the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances."

G. Inventory and Prepaid Items

The cost of expendable supplies held for consumption is recorded as an operating expense/expenditure at the time of purchase and is not recorded as inventory.

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, streets, and similar items), are reported in the government-wide financial statements. Governmental (general) capital assets are recorded as expenditures in the governmental funds and capitalized at cost in the government-wide statement of net assets. The County's capitalization threshold is $5,000 for all assets including infrastructure assets. Donated capital assets are recorded at estimated fair market value at the date of donation. In the case of the initial capitalization of general infrastructure items (i.e., those reported by governmental activities), the County chose to include all such items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Capital assets of the primary government are depreciated using the straight line method over the following useful lives:

Asset Category	Years
Buildings	20-50
Improvements other than buildings	20-50
Infrastructure	20-50
Equipment	5-20

Capital assets of the component units are depreciated using the straight line method over the following useful lives:

Asset Category	Years
Development Authority:	
Buildings and improvements	40
Vehicles and equipment	5
Peach Public Libraries	
Buildings	60
Library books and materials	10
Health Department:	
Computer equipment	5
Furniture and other equipment	10

I. Long-Term Obligations

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations (Continued)

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

J. 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 County does not have a policy to pay any amounts when the employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Fund Equity

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

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

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

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Board.

- ***Unassigned*** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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: 1) committed, 2) assigned, and 3) unassigned.

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

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $13,118,877 difference are as follows:

Bonds payable	$	(10,425,000)
Unamortized bond issuance costs		128,470
Unamortized bond premium		(367,573)
Compensated absences		(400,148)
Landfill postclosure costs		(1,930,888)
Accrued Interest		(123,738)
Net adjustment to reduce fund balance - total governmental funds to arrive at *net assets - governmental activities*	$	(13,118,877)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $2,255,065 difference are as follows:

Capital outlay	$	4,534,611
Depreciation expense		(2,279,546)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	2,255,065

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this $2,596,350 difference are as follows:

Principal repayments:		
Landfill postclosure costs	$	211,350
Bonds and notes payable		2,385,000
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	2,596,350

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $72,414 difference are as follows:

Change in compensated absences	$	(37,455)
Change in net pension asset		12,545
Amortization of bond issuance costs		(39,529)
Amortization of bond premium		113,100
Accrued interest		23,753
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	72,414

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 15, the County Administrator submits a proposed budget to the Board of Commissioners governing expenditures of all County funds for the fiscal year commencing the following October 1.

2. In September, the Board of Commissioners holds a public hearing on the proposed budget to obtain citizen comments.

3. The budget is legally adopted by the Board of Commissioners at a called meeting during the third week of September. The legal level of budgetary control is the department level.

4. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Department Directors are authorized to transfer budgeted amounts between all object categories within their own department excluding the categories for personnel costs, training, utilities, capital, and telephone, which require approval by the Board of Commissioners. Revisions that alter the total expenditures of any department or fund must be approved by the Board of Commissioners.

5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund and Special Revenue Funds. Budgets for Capital Projects Funds are adopted on a project basis, spanning more than one fiscal year.

The supplementary budgetary appropriations made were not material.

All appropriations, except for items encumbered at year end, lapse. Encumbrances for items not lapsing at year end are reappropriated in the ensuing year's budget. Budget information for expenditures and encumbrances represents the operating budget as approved by the Board of Commissioners.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Excess Expenditures over Appropriations

For the year ended September 30, 2011, expenditures exceeded budget in the General Fund, as follows:

Department	Excess
County Commissioners	$ 5,032
Elections	500
Data processing	803
Tax Commissioner	1,434
Tax Assessor	3,317
General government buildings and plant	3,667
Superior Court	10,499
Clerk of Superior Court	407
District Attorney - Victim Witness	1,274
Magistrate Court	1,209
Probate Court	759
Juvenile Court	336
Jail	7,214
Drug rehab & training	3,015
Emergency medical services	4,286
Coroner	27
E911	26,760
Community services	350

These overexpenditures were funded by additional unanticipated revenues.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County's policy is to invest only in obligations of the State of Georgia or of other states; the local government investment pool established by state law; obligations issued by the United States government; obligations fully insured or guaranteed by the United States government or a United States government agency; or certificates of deposit. Instruments rated below an AAA rating may not be purchased.

At September 30, 2011, the County had the following investments:

Investment	Term	Maturities	Fair Value
Certificate of deposit	12 months	December 19, 2011	$ 5,992
			$ 5,992

At September 30, 2011, the Development Authority had the following investments:

Investment	Term	Maturities	Fair Value
Certificate of deposit	6 months	January 22, 2012	$ 490,799
Certificate of deposit	6 months	October 30, 2011	210,598
			$ 701,397

At September 30, 2011, the Library had the following investments:

Investment	Term	Maturities	Fair Value
Certificate of deposit	12 months	March 13, 2012	$ 30,922
Certificate of deposit	6 months	December 29, 2011	101,741
			$ 132,663

Interest rate risk. In accordance with its investment policy, the County shall seek to ladder the maturities of its portfolio to correspond with known projected cash flow needs, taking into consideration large recurring expenditure items, such as payroll and bond disbursements. The County shall seek to maintain a weighted-average maturity of the total portfolio not to exceed one year.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2011, all of the deposits of the County, the Development Authority and the Library were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

NOTE 5. RECEIVABLES

Receivables at September 30, 2011, for the County's individual major funds, and nonmajor funds and other funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	2004 SPLOST	Solid Waste Fund	Nonmajor Governmental Funds	Total
Receivables:					
Taxes	$ 8,757,669	$ -	$ -	$ 521	$ 8,758,190
Allowance for uncollected taxes	(474,234)	-	-	-	(474,234)
Net taxes receivable	8,283,435	-	-	521	8,283,956
Accounts	1,889,965	68	729,474	61,755	2,681,262
Allowance for uncollected accounts	(1,613,680)	-	(23,053)	-	(1,636,733)
Net accounts receivable	276,285	68	706,421	61,755	1,044,529
Net total receivable	$ 8,559,720	$ 68	$ 706,421	$ 62,276	$ 9,328,485

The County's property taxes were levied on the assessed values of all real and personal property with utilities, including mobile homes and motor vehicles, located in the County. The assessed value at January 1, 2011, upon which the fiscal 2011 levy was based, was the gross digest amount of $710,410,533 (40% of the estimated market value of $1,776,026,333).

The tax billing cycle for fiscal year 2011 is as follows:

Levy date	August 23, 2011
Payment due date	December 20, 2011
Delinquency date	December 21, 2011
Lien date	March 20, 2012

NOTE 5. RECEIVABLES (CONTINUED)

The distribution of the County's levy (tax rate per $1,000 assessed value) as of September 30, 2011 is as follows:

General Government	13.555 mills
School System	17.000 mills
State of Georgia	.25 mills

NOTE 6. CAPITAL ASSETS

A. Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 2,363,436	$ -	$ -	$ 2,363,436
Construction in progress	7,356,792	4,174,334	110,712	11,420,414
Total	9,720,228	4,174,334	110,712	13,783,850
Capital assets, being depreciated:				
Buildings	9,228,105	110,712	120,228	9,218,589
Improvements other than buildings	2,438,269	-	-	2,438,269
Infrastructure	53,699,793	-	-	53,699,793
Equipment	9,505,040	360,277	131,485	9,733,832
Total	74,871,207	470,989	251,713	75,090,483
Less accumulated depreciation for:				
Buildings	3,073,298	228,813	27,051	3,275,060
Improvements other than buildings	584,612	130,900	-	715,512
Infrastructure	28,572,142	1,217,051	-	29,789,193
Equipment	5,584,491	702,782	127,686	6,159,587
Total	37,814,543	2,279,546	154,737	39,939,352
Total capital assets, being depreciated, net	37,056,664	(1,808,557)	96,976	35,151,131
Governmental activities capital assets, net	$ 46,776,892	$ 2,365,777	$ 207,688	$ 48,934,981

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	$ 193,492
Judicial	2,710
Public safety	637,993
Public works	1,358,843
Culture and recreation	80,969
Conservation and development	5,539
Total depreciation expense - governmental activities	$ 2,279,546

B. Component Unit – Health Department

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 47,589	$ -	$ -	$ 47,589
Less accumulated depreciation for:				
Machinery and equipment	47,589	-	-	47,589
Total capital assets, net	$ -	$ -	$ -	$ -

C. Component Unit – Library

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 167,000	$ -	$ -	$ 167,000
Capital assets, being depreciated:				
Buildings	2,000,000	-	-	2,000,000
Library books and materials	625,915	8,105	2,451	631,569
Total capital assets, being depreciated:	2,625,915	8,105	2,451	2,631,569
Less accumulated depreciation for:				
Buildings	441,665	33,333	-	474,998
Library books and materials	506,343	24,860	2,451	528,752
Total accumulated depreciation:	948,008	58,193	2,451	1,003,750
Total capital assets, being depreciated, net:	1,677,907	(50,088)	-	1,627,819
Total capital assets, net	$ 1,844,907	$ (50,088)	$ -	$ 1,794,819

NOTE 6. CAPITAL ASSETS (CONTINUED)

D. Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 384,330	$ -	$ -	$ 384,330
Construction in progress	-	-	-	-
Total	384,330	-	-	384,330
Capital assets, being depreciated:				
Buildings	6,147,722	-	-	6,147,722
Equipment	7,336	863	951	7,248
Vehicles	22,040	-	-	22,040
Total	6,177,098	863	951	6,177,010
Less accumulated depreciation for:				
Buildings	1,397,214	153,693	-	1,550,907
Equipment	5,456	809	586	5,679
Vehicles	13,224	4,408	-	17,632
Total	1,415,894	158,910	586	1,574,218
Total capital assets, being depreciated, net	4,761,204	(158,047)	365	4,602,792
Total capital assets, net	$ 5,145,534	$ (158,047)	$ 365	$ 4,987,122

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended September 30, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ 12,810,000	$ -	$ (2,385,000)	$ 10,425,000	$ 2,460,000
Plus unamortized premium	480,673	-	(113,100)	367,573	-
Bonds payable, net	13,290,673	-	(2,498,100)	10,792,573	2,460,000
Compensated absences	362,693	373,657	(336,202)	400,148	320,118
Landfill postclosure costs	2,142,238	-	(211,350)	1,930,888	39,500
Governmental activities:					
Long-term liabilities	$ 15,795,604	$ 373,657	$ (3,045,652)	$ 13,123,609	$ 2,819,618

For governmental activities, compensated absences and landfill postclosure costs are generally liquidated by the General Fund.

NOTE 7. LONG-TERM DEBT (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Development Authority:					
Bonds payable	$ 1,719,000	$ -	$ (366,000)	$ 1,353,000	$ 396,000
Notes payable	7,625	-	(4,219)	3,406	3,406
Development Authority:					
Long-term liabilities	$ 1,726,625	$ -	$ (370,219)	$ 1,356,406	$ 399,406
Library:					
Compensated absences	$ 26,450	$ 16,713	$ (17,695)	$ 25,468	$ 18,005
Health Department:					
Compensated absences	$ 31,736	$ 3,279	$ -	$ 35,015	$ 3,502

General Obligation Bonds. During the year ended September 30, 2009, the County issued general obligation bonds in the amount of $15,015,000. The bond proceeds are to be used to finance the acquisition of various capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the County.

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Various	3.25 - 5.00%	7 years	2015	$ 15,015,000	$ 10,425,000
	Plus unamortized premium				367,573
					$ 10,792,573

Debt service requirements to maturity on the general obligation bonds are as follows:

Year ending September 30,	Principal	Interest
2012	$ 2,460,000	$ 494,950
2013	2,600,000	381,950
2014	2,740,000	251,945
2015	2,625,000	122,500
Total	$ 10,425,000	$ 1,251,345

NOTE 7. LONG-TERM DEBT (CONTINUED)

Landfill Postclosure Costs. Peach County has closed its landfill located on Houser's Mill Road. State and Federal regulations require that the County place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. At this time, engineering studies estimate postclosure costs of approximately $1,930,888 over the next 14 years. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of September 30, 2011. However, actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Revenue Bonds Payable – Development Authority. During the year ended September 30, 2003, the Development Authority issued tax-exempt and taxable refunding revenue bonds in the aggregate amount of $3,977,000. The bond proceeds were used to refund the Development Authority's series 2000 revenue bonds. The principal and interest on the bonds is payable from the net revenues of the Development Authority and certain payments made to the Development Authority by the County pursuant to a contract between the Development Authority and the County.

Revenue bonds outstanding at September 30, 2011 are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Tax-Exempt Refunding Revenue Bonds	4.55%	12 years	2015	$ 1,733,000	$ 1,353,000

Debt service requirements to maturity on the revenue bonds are as follows:

Year ending September 30,	Principal	Interest
2012	$ 396,000	$ 54,120
2013	426,000	35,210
2014	451,000	15,089
2015	80,000	461
Total	$ 1,353,000	$ 104,880

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable – Development Authority. On October 15, 2007, the Development Authority of Peach County obtained a five (5) year loan in the amount of $19,104 to purchase a 2008 Ford Crown Victoria. The due date of this note is October 15, 2012. Monthly installments are $362. The outstanding balance of this note at September 30, 2011 is $3,406.

Debt service requirements to maturity on the notes payable are as follows:

Year ending September 30,	Principal	Interest
2012	$ 3,406	$ 132

Conduit Debt Obligations – Development Authority. The Development Authority has issued revenue bonds to provide financial assistance to a nonprofit corporation and an exempt organization for the acquisition and construction of student housing facilities. The bonds are secured by the property financed and are payable solely from the payments received on the underlying loan agreement. Upon repayment of the bonds, ownership of the acquired facilities transfers to the exempt organization served by the bond issuance. The Development Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The amount of conduit debt revenue bond obligations outstanding as of September 30, 2011 is $43,665,000.

During the year ended September 30, 2009, the Development Authority entered into a note payable with the OneGeorgia Authority to provide financial assistance to a local corporation for the acquisition of machinery and equipment. The note is secured by the property financed and is payable solely from payments received on the underlying agreement. Upon repayment of the note, ownership of the acquired machinery and equipment transfers to the local corporation served by the note issuance. The Development Authority is not obligated in any manner for repayment of the note.

Accordingly, the note is not reported as a liability in the accompanying financial statements. The amount of conduit debt note payable obligation outstanding as of September 30, 2011 is $352,345.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2011 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 18,599
Solid Waste Fund	General Fund	111,670
Nonmajor governmental funds	General Fund	263
		$ 130,532

These balances resulted 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.

Interfund transfers:

Transfers In	Transfers Out	Amount
Nonmajor governmental funds	General Fund	$ 5,509
Solid Waste Fund	General Fund	151,763
		$ 157,272

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. RETIREMENT PLANS

A. Defined Benefit Pension Plan - Primary Government

Plan Description

On October 1, 2006, the County began sponsoring the Association County Commissioners of Georgia Peach County Defined Benefit Plan (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of The ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of The ACCG Plan document.

Complete financial statements for the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from Government Employee Benefits Corporation of Georgia, 3625 Cumberland Boulevard, Suite 825, Atlanta, Georgia 30339.

Funding Policy

The County is required to contribute an actuarially determined amount annually to The Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by The ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the plan.

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the current year is as follows:

	January 1, 2010	January 1, 2011
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 377,498	$ 384,888
Interest on Net Pension Obligation	-	(3,175)
Amortization of Net Pension Obligation	-	3,625
Annual Pension Cost	$ 377,498	$ 385,338

NOTE 9. RETIREMENT PLANS (CONTINUED)

A. Defined Benefit Pension Plan - Primary Government (Continued)

Derivation of Net Pension Obligation

Annual Pension Cost for Fiscal Year 2011	$	385,338
Actual Contributions to Plan for Fiscal Year 2011		397,883
Increase (Decrease) in Net Pension Obligation		(12,545)
Net Pension Obligation (Asset) as of Beginning of Fiscal Year		(41,190)
Net Pension Obligation (Asset) as of End of Fiscal Year	$	(53,735)

Basis of Valuation

Current Valuation Date	January 1, 2011
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.00 to 6.50%
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	30

Trend Information for The Plan

Fiscal Year Funding	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/08	$ 286,403	$ 282,925	98.8 %	$ (12,525)
9/30/09	337,209	349,227	103.6	(24,543)
9/30/10	377,498	394,145	104.4	(41,190)
9/30/11	385,338	397,883	103.3	(53,735)

As of the most recent valuation date, January 1, 2011, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
1/1/2011	$ 5,800,343	$ 6,469,450	$ 669,107	89.7 %	$ 5,351,689	12.5 %

NOTE 9. RETIREMENT PLANS (CONTINUED)

A. Defined Benefit Pension Plan - Primary Government (Continued)

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial liability. 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 long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2011.

B. Teachers Retirement System – Component Unit – Library

All "classified" personnel employed by regional and county libraries are covered by the Teachers Retirement System of Georgia ("TRS"), which is a cost-sharing multiple employer public employee retirement system (PERS). A "classified" staff person is one that works full-time or at least 20 hours a week (part-time).

Complete financial statements for the TRS can be obtained at the following address: Two Northside 75, Suite 400, Atlanta, Georgia 30381.

TRS provides service retirement, disability retirement and survivor's benefits for its members in accordance with state statute. A member is eligible for service retirement after 30 years of service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service and less than age 60, at a reduced benefit. Retirement benefits paid to members are equal to 2% of the average of the member's two consecutive highest paid years of service multiplied by the number of years of creditable service up to 40 years. The normal retirement pension is payable monthly for life. Options are available for distribution of the member's monthly pension at a reduced rate to a designated beneficiary at the time of the member's death.

Retirement benefits also include disability and death benefits. A disabled member who has at least 9 ½ years service credit is eligible for disability retirement. There is no age requirement. Disability retirement benefits are calculated using a percentage of salary formula. TRS offers survivor benefits to the beneficiary. When a member dies before retirement with 10 or more years of service, the beneficiary will receive either a monthly benefit for life, or a lump sum refund of the contributions plus interest.

NOTE 9. RETIREMENT PLANS (CONTINUED)

B. Teachers Retirement System – Component Unit – Library (Continued)

Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employee contributions occurs, but the member's contributions are refunded with interest.

Effective July 1, 2010, covered employees are required by state law to contribute 5.53% of their annual covered salary to the plan, and the Library is required to contribute 10.28% of current covered payroll. Prior to July 1, 2010, the contribution rates for covered employees and the Library were 5.25% and 9.74%, respectively. Covered employees' and the Library's contributions for the past three years are shown below. The Library's contributions to TRS for the past three years are equal to the required contribution for each year.

	Library	Employees
Fiscal year contributions		
September 30, 2011	$ 26,637	$ 14,329
September 30, 2010	25,785	13,891
September 30, 2009	23,703	12,773

NOTE 10. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees, retirees, and their dependents.

The County purchases insurance from a private carrier for coverage of general liability, property, and casualty coverage. The private insurance covers claims arising from general liability, automobile liability, errors and omissions, law enforcement liability, and property risks. Additionally, as of October 1, 2001, the County purchases health insurance from a private carrier. No reduction in insurance coverage has occurred since the previous year, and no settlements in excess of coverage have been paid in the past three years. The County also participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

NOTE 10. RISK MANAGEMENT (CONTINUED)

As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the fund.

The Fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. 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.

Settled claims in the past three years have not exceeded the coverages.

NOTE 11. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation:

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

Grant Contingencies:

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

NOTE 12. JOINT VENTURES

Middle Georgia Regional Commission

Peach County, in conjunction with ten (10) other middle Georgia counties, participates in the Middle Georgia Regional Commission. During its year ended September 30, 2011, the County paid $12,925 in such dues. Membership in an RC is required by Code of Georgia Section 50-8-34 that provides for the organizational structure of the RC. The RC Board membership includes the Chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission.

Information concerning the financial statements may be obtained from the Middle Georgia Regional Commission, 175-C Emery Highway, Macon, Georgia 31217.

The Middle Georgia Regional Solid Waste Management Authority

The Middle Georgia Regional Solid Waste Management Authority (the "Authority") was activated by the Board of Commissioners of Peach County, Macon County, and Dooly County on August 30, 1993, under the provisions of the Regional Solid Waste Management Authority Act (Ga. Laws 1990, page 412). The Middle Georgia Regional Solid Waste Management Authority operates under a Board of Directors, which consists of seven (7) directors, with two (2) directors representing each county and one (1) director appointed by the directors themselves.

The Authority is designed to research, study, and plan for the solid waste management needs of the participating counties. The Authority is responsible for gathering data and researching all phases of the solid waste management needs of the participating counties. The Authority does not have the power to borrow money, issue bonds, or enter into any financial obligations without the authorization of the participating counties who will be involved in the repayment of such obligations.

The total costs of the annual administrative budget is to be allocated among the participants such that each participant is allocated a fraction of such costs, the numerator of which is the total population of such participant, and the denominator of which is the total population of all participants.

Information concerning the financial statements may be obtained from the Middle Georgia Regional Solid Waste Management Authority, Oglethorpe, Georgia.

NOTE 13. HOTEL/MOTEL LODGING TAX

The Official Code of Georgia Annotated 48-13-51 requires that all lodging taxes levied of 3% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. The County has complied with the expenditure requirements of OCGA 48-13-51 regarding the hotel/motel tax. During the year, the County collected $6,572 in hotel taxes. Management represents that $12,627, or 192.2%, of the lodging tax received during the year ended September 30, 2011 was used for the promotion of tourism.

NOTE 14. OTHER POST EMPLOYMENT BENEFITS

Georgia Retiree Health Benefit Fund – Component Unit – Library

Plan Description. The Library participates in the Georgia Retiree Health Benefit Fund ("GRHBF"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of Georgia Department of Community Health. The GRHBF provides health insurance benefits to eligible retirees and their qualified beneficiaries. Pursuant to Title 45, Chapter 18 of the Official Code of Georgia Annotated, the authority to establish and amend the benefit provisions of the plan is assigned to the Board of the State of Georgia Department of Community Health. The Department of Community Health issues a publicly available financial report that includes financial statements and required supplementary information for GRHBF. That report may be obtained from the Department of Community Health at 2 Peachtree Street, Atlanta, Georgia 30303.

Funding Policy. The contribution requirements of plan members and participating employers are established and may be amended by the Board of the State of Georgia Department of Community Health. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election.

Participating state employers, including local libraries and library systems, are statutorily required to contribute in accordance with the employer contribution rate established by the Board. The contribution rate is established to fund both the active and retired employee health insurance plans based on projected pay-as-you-go financing requirements. The combined rate for the active and retiree plans (pay-as-you go basis) for the fiscal year ended September 30, 2011 were as follows:

Period	Percentage of Covered Payroll
October 2010 - April 2011	21.955% of covered payroll for October - April coverage
May 2011 - June 2011	1.429% of covered payroll for May - June coverage
July 2011	18.534% of covered payroll for July coverage
August 2011 - September 2011	24.000% of covered payroll for August - September coverage

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Georgia Retiree Health Benefit Fund – Component Unit – Library (Continued)

Currently, the state is requiring that local libraries pay only on active employees. The Library's contribution to the health insurance plans for the fiscal years ended September 30, 2011 and 2010 were $48,016 and $48,933 respectively, which equaled the required contributions.

REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF FUNDING PROGRESS

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
1/1/2011	$ 5,800,343	$ 6,469,450	$ 669,107	89.7 %	$ 5,351,689	12.5 %
1/1/2010	5,200,449	5,639,289	438,840	92.2	5,137,859	8.5
1/1/2009	4,555,043	5,089,782	534,739	89.5	4,778,101	11.2
1/1/2008	4,383,162	4,630,964	247,802	94.6	4,568,590	5.4

The assumptions used in the preparation of the above schedule are disclosed in Note 9 in the Notes to the Financial Statements.

PEACH COUNTY, GEORGIA

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PEACH COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Law Library

To account for costs of operating and maintaining the County Law Library. Financing is provided from a $2 charge added to and collected on all costs in civil and criminal cases. A separate Board of Trustees has control of the Law Library funds and has authority to expend the funds in accordance with provisions of the act establishing the County Law Library. All books, reports, texts, and periodicals purchased from these funds become the property of the County.

Transit System

To account for the operations of the Peach County Transit System. Financing is provided under an agreement with the Georgia Department of Transportation to receive funding under Section 18 of the Urban Mass Transportation Act of 1964, from operating transfers from the General Fund of Peach County, and from user fares.

Drug Fund

To account for monies deemed as forfeited property by courts to Peach County from cases related to illegal drug activity. These forfeited funds are used to expand the County's efforts to reduce illegal drug activity in the County.

Federal Drug Fund

To account for monies deemed as forfeited property by Federal Courts to Peach County from cases related to illegal drug activity.

Jail Inmate Canteen

To account for the operations of the jail inmate store. Purchases of supplies for sale to inmates, as well as proceeds received from the sale of these supplies, are reflected in the Jail Inmate Fund.

Hotel/Motel Tax

To account for revenues received from the levy of a hotel/motel tax in accordance with the provisions of OCGA 48-13-51 to be used for the promotion of tourism, conventions, and trade shows in Peach County.

E911 Fund

To account for the costs of operating and maintaining the 911 Emergency Communication System for Peach County. Financing is provided by a charge to each telephone subscriber whose exchange access lines are in areas served by the Peach County "911" service, by contributions from the City of Fort Valley and the City of Byron.

Air OneGeorgia Grant Fund

To account for the revenues in and expenditures made from the Air OneGeorgia Grant provided by the OneGeorgia Authority. Proceeds are to be used for improvements at the Perry-Houston County Airport.

PEACH COUNTY, GEORGIA

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Capital Projects Fund

Sales Tax

To account for the landfill and county building improvement expenditures as called for by the County referendum. Financing is being provided by a special purpose sales and use tax and proceeds from a GEFA note payable.

PEACH COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	Special Revenue Funds				
ASSETS	**Law Library**	**Transit System**	**Drug Fund**	**Federal Drug Fund**	**Jail Inmate Canteen**
Cash and cash equivalents	$ 35,128	$ 216	$ 22,120	$ 11,120	$ 34,509
Investments	-	-	-	5,992	-
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	-	322
Prepaid items	-	-	-	-	-
Due from other governments	-	38,444	-	-	-
Due from other funds	-	263	-	-	-
Total assets	$ 35,128	$ 38,923	$ 22,120	$ 17,112	$ 34,831
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,919	$ 38,444	$ -	$ -	$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	1,919	38,444	-	-	-
FUND BALANCES					
Nonspendable:					
Prepaid items	-	-	-	-	-
Restricted for:					
Capital projects	-	-	-	-	-
Judicial	33,209	-	-	-	-
Public safety	-	-	22,120	17,112	-
Health and welfare	-	479	-	-	-
Committed for:					
Public safety	-	-	-	-	34,831
Unassigned	-	-	-	-	-
Total fund balances	33,209	479	22,120	17,112	34,831
Total liabilities and fund balances	$ 35,128	$ 38,923	$ 22,120	$ 17,112	$ 34,831

Hotel/ Motel Tax	E911 Fund	Air OneGeorgia Grant Fund	Capital Projects Fund Sales Tax	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 48,639	$ 151,732
-	-	-	-	5,992
521	-	-	-	521
-	61,433	-	-	61,755
-	19,648	-	-	19,648
-	-	-	-	38,444
-	-	-	-	263
$ 521	$ 81,081	$ -	$ 48,639	$ 278,355
$ 400	$ 12,480	$ -	$ 2,995	$ 56,238
-	51,857	-	-	51,857
121	16,744	-	1,734	18,599
521	81,081	-	4,729	126,694
		-		
-	19,648	-	-	19,648
-	-	-	43,910	43,910
-	-	-	-	33,209
-	-	-	-	39,232
-	-	-	-	479
-	-	-	-	34,831
-	(19,648)	-	-	(19,648)
-	-	-	43,910	151,661
$ 521	$ 81,081	$ -	$ 48,639	$ 278,355

PEACH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds				
	Law Library	Transit System	Drug Fund	Federal Drug Fund	Jail Inmate Canteen
Revenues:					
Other taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	26	76,397	-	-	-
Charges for services	-	-	-	-	5,695
Fines and forfeitures	15,927	-	2,780	5,158	-
Interest income	45	323	50	149	-
Total revenues	15,998	76,720	2,830	5,307	5,695
Expenditures:					
Current:					
Judicial	20,637	-	-	-	-
Public safety	-	-	5,423	17,541	2,778
Public works	-	-	-	-	-
Health and welfare	-	76,720	-	-	-
Conservation and development	-	-	-	-	-
Total expenditures	20,637	76,720	5,423	17,541	2,778
Excess (deficiency) of revenues over (under) expenditures	(4,639)	-	(2,593)	(12,234)	2,917
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balances	(4,639)	-	(2,593)	(12,234)	2,917
Fund balances, beginning of year	37,848	479	24,713	29,346	31,914
Fund balances, end of year	$ 33,209	$ 479	$ 22,120	$ 17,112	$ 34,831

Hotel/ Motel Tax	E911 Fund	Air OneGeorgia Grant Fund	Capital Projects Fund Sales Tax	Total Nonmajor Governmental Funds
$ 6,572	$ -	$ -	$ -	$ 6,572
-	-	97,976	-	174,399
-	363,314	-	-	369,009
-	-	-	-	23,865
-	-	-	190	757
6,572	363,314	97,976	190	574,602
-	-	-	-	20,637
-	363,314	-	-	389,056
-	-	-	85,572	85,572
-	-	-	-	76,720
12,627	-	97,976	-	110,603
12,627	363,314	97,976	85,572	682,588
(6,055)	-	-	(85,382)	(107,986)
5,509	-	-	-	5,509
5,509	-	-	-	5,509
(546)	-	-	(85,382)	(102,477)
546	-	-	129,292	254,138
$ -	$ -	$ -	$ 43,910	$ 151,661

PEACH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 1994 ISSUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Sanitary Landfill	$ 3,000,000	$ 3,000,000	$ 4,137,417	$ 85,572	$ 4,222,989
County Buildings	1,750,000	1,750,000	1,750,000	-	1,750,000
Totals	$ 4,750,000	$ 4,750,000	$ 5,887,417	$ 85,572	$ 5,972,989

PEACH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2000 ISSUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Public Safety Facilities	$ 975,000	$ 975,000	$ 975,000	$ -	$ 975,000
Roads, Streets, and Bridges	735,000	735,000	707,349	-	707,349
Solid Waste Handling Facility	40,000	40,000	35,119	-	35,119
Water, Sewer, and Waste Water Treatment	12,000,000	12,000,000	9,370,177	-	9,370,177
Totals	$ 13,750,000	$ 13,750,000	$ 11,087,645	$ -	$ 11,087,645

PEACH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2004 ISSUE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Road, Street, and Bridge Purposes	$ 4,120,000	$ 4,120,000	$ 2,851,406	$ 223,996	$ 3,075,402
Administrative and Detention Facilities	2,185,000	2,185,000	1,015,985	49,849	1,065,834
City of Fort Valley	1,250,000	1,250,000	1,305,865	-	1,305,865
City of Byron	1,250,000	1,250,000	1,305,865	-	1,305,865
Industrial Building	2,000,000	2,000,000	2,000,000	-	2,000,000
Recreation and Cultural Facilities	1,300,000	1,300,000	1,365,439	-	1,365,439
Public Safety Facilities and Equipment	1,195,000	1,195,000	1,800,052	226,759	2,026,811
Hospital Facility	2,000,000	2,000,000	-	-	-
Totals	$ 15,300,000	$ 15,300,000	$ 11,644,612	$ 500,604	$ 12,145,216

PEACH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Georgia Environmental Facilities Authority Loan - 2007	$ 1,125,000	$ 1,125,000	$ 1,133,361	$ -	$ 1,133,361
Previously Incurred Debt for Byron Redevelopment Authority	200,000	200,000	223,228	-	223,228
Road, Street, and Bridge Purposes	3,000,000	3,000,000	390,038	162,382	552,420
County Buildings	550,000	550,000	110,674	17,900	128,574
Improvements and Expansion of Peach Recreation Parks	700,000	700,000	493,451	2,920	496,371
Public Safety Facilities and Equipment	10,477,000	10,477,000	7,300,477	3,639,939	10,940,416
Interest and Costs of Issuance of Debt	1,398,000	1,398,000	1,343,804	591,963	1,935,767
City of Byron	3,475,000	3,475,000	2,582,417	-	2,582,417
City of Fort Valley	3,075,000	3,075,000	74,353	488	74,841
Totals	$ 24,000,000	$ 24,000,000	$ 13,651,803	$ 4,415,592	$ 18,067,395
		Repayment of principal on debt. Proceeds included in projects above.		2,385,000	
		Total 2008 SPLOST Fund expenditures and transfers		$ 6,800,592	

PEACH COUNTY, GEORGIA

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PEACH COUNTY, GEORGIA

AGENCY FUNDS

	Agency Funds
Jail Inmate	To account for all monies held on behalf of the inmates of the Peach County Jail.
Tax Commissioner	To account for the collection and payment to Peach County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Peach County and other taxing units.
Clerk of Superior Court	To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.
Magistrate Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.
Probate Court	To account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, etc. which are disbursed to other parties.
Sheriff's Office	To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

PEACH COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2011

ASSETS	Jail Inmate	Tax Commissioner	Clerk of Superior Court	Magistrate Court
Cash	$ 2,604	$ 4,888	$ 346,703	$ 35,914
Taxes receivable	-	10,746,114	-	-
Total assets	$ 2,604	$ 10,751,002	$ 346,703	$ 35,914
LIABILITIES				
Due to others	$ 2,604	$ 10,751,002	$ 346,703	$ 35,914
Total liabilities	$ 2,604	$ 10,751,002	$ 346,703	$ 35,914

Probate Court	Sheriff's Office	Totals
$ 104,888	$ 248,074	$ 743,071
-	-	10,746,114
$ 104,888	$ 248,074	$ 11,489,185
$ 104,888	$ 248,074	$ 11,489,185
$ 104,888	$ 248,074	$ 11,489,185

PEACH COUNTY, GEORGIA

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COMPONENT UNIT –
PEACH PUBLIC LIBRARIES

PEACH COUNTY, GEORGIA

COMBINING BALANCE SHEET
COMPONENT UNIT - PEACH PUBLIC LIBRARIES
SEPTEMBER 30, 2011

ASSETS	General Fund	Lula Thomas Library Fund	Total Library Funds
Cash and cash equivalents	$ 177,930	$ 5,077	$ 183,007
Investments	101,639	31,024	132,663
Receivables:			
Accounts	1,756	-	1,756
Total assets	$ 281,325	$ 36,101	$ 317,426
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 915	$ -	$ 915
Total liabilities	915	-	915
FUND BALANCES			
Nonspendable:			
Lula Thomas CD	-	30,922	30,922
Committed for:			
E-Rate awards	5,563	-	5,563
Copier leases	12,357	-	12,357
Director's supplement	10,670	-	10,670
Assistant director's supplement	7,858	-	7,858
Compensated absences	25,468	-	25,468
Electronic technology	7,700	-	7,700
Assigned for:			
Next year's budget	25,847	-	25,847
General library operations	-	5,179	5,179
Unassigned	184,947	-	184,947
Total fund balances	280,410	36,101	316,511
Total liabilities and fund balances	$ 281,325	$ 36,101	$ 317,426

PEACH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNIT - PEACH PUBLIC LIBRARIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	General Fund	Lula Thomas Library Fund	Total Library Funds
Revenues:			
Intergovernmental	$ 454,907	$ -	$ 454,907
Charges for services	15,493	-	15,493
Interest income	961	484	1,445
Other income	5,626	-	5,626
Total revenues	476,987	484	477,471
Expenditures:			
Current:			
Public services	113,193	-	113,193
Technical services	81,032	-	81,032
Support services	216,988	-	216,988
Maintenance and operations	31,357	-	31,357
Information technology	5,493	-	5,493
Total expenditures	448,063	-	448,063
Excess of revenues over expenditures	28,924	484	29,408
Other financing sources (uses):			
Transfers in	377	-	377
Transfers out	-	(377)	(377)
Total other financing sources (uses)	377	(377)	-
Net change in fund balances	29,301	107	29,408
Fund balances, beginning of year	251,109	35,994	287,103
Fund balances, end of year	$ 280,410	$ 36,101	$ 316,511

COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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*

Board of Commissioners
of Peach County, Georgia
Fort Valley, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Peach County, Georgia as of and for the year ended September 30, 2011, which collectively comprise Peach County, Georgia's basic financial statements and have issued our report thereon dated March 26, 2012. As discussed in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of October 1, 2010. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Peach County Health Department, as described in our report on Peach County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and responses as items 2011-1 and 2011-2 that we consider to be significant deficiencies in internal control over financial reporting.

Compliance and Other Matters

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

We also noted certain additional matters that we reported to the management of Peach County, Georgia in a separate letter dated March 26, 2012.

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
March 26, 2012

PEACH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes ____ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no

Federal Awards

There was not an audit of major federal award programs for the year ended September 30, 2011 due to the total amount expended being less than $500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2011-1. Segregation of Duties

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

Condition: Appropriate segregation of duties does not exist among recording, distribution, reconciliation of cash accounts and other operational functions in the various funds maintained by the County. This is especially prominent in the office the Clerk of Superior Court.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

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

Cause: The failure to adequately segregate duties is due to the limited number of individuals available in the office of the Clerk of Superior Court to perform all of the duties.

Recommendation: The duties of recording, distribution, approving, writing and signing of checks, and reconciliation of accounts should be segregated among employees.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2011-1. Segregation of Duties (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The office of the Clerk of Superior Court has been in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business. All of the offices have made great efforts to improve in this area.

2011-2. Overage of Funds

Criteria: All constitutional officers must properly account for the receipt of funds and timely and properly remit such funds to the appropriate parties in accordance with State of Georgia laws.

Condition: For the fiscal year ending September 30, 2011, we noted that the Sheriff's Office has approximately $41,700 in its bank accounts for which no determination can be made as to who or whom the funds are owed.

Context: There was an excess of approximately $41,700 in the Sheriff's Escrow Account.

Cause: In the past, some of the funds of the Sheriff's Office were commingled with the operating account, and therefore it is hard to determine to whom the excess funds are owed.

Effect: By not reconciling the cash balances on hand to the supporting detail listings of amounts payable, differences could occur and go undetected by the Sheriff's Office.

Recommendation: We recommend the Sheriff's Office make every effort to determine who the proper payee(s) are for these funds and disburse the monies as quickly as possible. If the payee cannot be determined, consultation with the County Attorney is recommended.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will work to determine to whom the excess cash is owed and detail listings will be reconciled to the cash balances on hand.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not Applicable.

PEACH COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

2010-1. Expenditure Cycle Transactions

Criteria: Procedures should be in place to ensure all payables and expenditures are properly recorded in a timely manner as part of the year-end closing procedures.

Condition: The County did not properly record a current year payable and expenditure as of September 30, 2010.

Status: Resolved. This finding was corrected during fiscal year 2011 and is no longer listed as a finding.

2010-2. Segregation of Duties

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

Condition: Appropriate segregation of duties does not exist among recording, distribution, reconciliation of cash accounts and other operational functions in the various funds maintained by the County. This is especially prominent in the office the Clerk of Superior Court.

Status: Unresolved. See current finding 2011-1.

2010-3. Overage of Sheriff's Office Funds

Criteria: All constitutional officers must have a proper function of receiving funds and timely and properly remitting such funds to the appropriate parties upon their disposition in accordance with State of Georgia laws.

Condition: For the fiscal year ending September 30, 2010, we noted that the Sheriff's Office has approximately $41,700 in its bank accounts for which no determination can be made as to who or whom the funds are owed. Additionally, the Magistrate Court has approximately $10,250 in its bank account for which no determination can be made as to who or whom the funds are owed.

Status: Partially resolved. This finding was corrected for the Magistrate Court during fiscal year 2011 and is no longer listed as a finding. See current year finding 2011-2 for the Sheriff's Office.

PEACH COUNTY, GEORGIA

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