POLK COUNTY, GEORGIA

FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION

For The Year Ended June 30, 2012

Polk County, Georgia
Annual Financial Report
June 30, 2012

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FINANCIAL SECTION

LAWRENCE SEE & BEAVERS

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Polk County, Georgia
Cedartown, 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 Polk County, Georgia (the "County") as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Polk County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Polk County Board of Health, which represent 10% and 81% respectively, of the asset and revenues of the aggregate discretely presented component units. Those financial statements as of June 30, 2012, were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Polk County Board of Health, 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 other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Polk County, Georgia as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued a report dated January 18, 2012 on our consideration of Polk County, Georgia's internal control over financial reporting and 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.

The Board of Commissioners
Polk County, Georgia

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual General Fund, and Emergency Telephone Fund and the Schedule of Funding Progress and Employer Contributions 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 the County's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 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 financial statements as a whole.

Lawrence, Sue & Beavers

Douglasville, Georgia
January 18, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the Basic financial statements prepared by the Finance Director.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Polk County's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2012. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County's assets exceeded its liabilities by $44,177,171 (total net assets) as of June 30, 2012
- Total net assets are comprised of the following:
  (1) Capital assets, net of related debt, of $30,846,543 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net assets of $6,208,285 restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net assets of $7,122,343 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's governmental funds reported total ending fund balance of $ 12,992,767 (which includes some deficits) at June 30, 2012. This compares to the prior year ending fund balance of $11,941,406 showing an increase of $1,051,361 during the current year. Unassigned fund balance of $5,825,297 at June 30, 2012 shows a $ 317,068 increase from the prior year amount at June 30, 2011.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $6,453,856 or 36.1% of total General Fund expenditures
- Overall, the County continues to maintain an adequate financial position, in spite of a somewhat slow growth economy.

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

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior fiscal year.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets.* This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the

taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities, which* reports how the County's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, planning and community development, health and welfare, culture and recreation and sanitation. Business-type activities include the landfill operations.

The government-wide financial statements are presented on pages 16 and 17 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The County has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 18-21 of this report.

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the County charges customers a fee. The sole County proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the County organization for solid waste services.

The basic enterprise fund financial statements are presented on pages 22-25 of this report.

***Fiduciary* funds** .(i.e., the agency funds) are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund County programs. These funds are used primarily by the County's constitutional officers.

The basic fiduciary fund financial statement is presented on page 26 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 29 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget presentations and selected pension information. Budgetary comparison statements are included as "required supplementary information" for the general fund, and the emergency telephone special revenue fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. This section also provides information regarding the funding progress that the County is making towards their employees' pension plan as well as information regarding the County's contributions. The required supplementary information is presented beginning on page 65.

Other Supplementary Information

These statements and schedules demonstrate compliance with the County's adopted and final revised budget. As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report beginning on page 69.

Financial Analysis of the County as a Whole

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the County as a whole.

The County's net combined (government and business-type activities) assets at fiscal year-end are $44,177,171.

By far the largest portion of the County's net assets reflects its investment in capital assets (e.g., infrastructure, land, buildings machinery, equipment and vehicles); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although Polk County's investment in 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.

The following table provides a summary of the County's net assets:

Summary of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Assets:						
Current assets	$ 16,154,134	$ 14,718,225	$ 4,236,214	$ 3,318,564	20,390,348	$ 18,036,789
Restricted assets	-	-	1,881,338	1,711,442	1,881,338	1,711,442
Capital assets	30,646,111	29,920,782	208,019	220,322	30,854,130	30,141,104
Total assets	**46,800,245**	**44,639,007**	**6,325,571**	**5,250,328**	**53,125,816**	**49,889,335**
Liabilities:						
Current liabilities	2,598,595	2,342,212	5,000	5,620	2,603,595	2,347,832
Long-term liabilities	3,592,372	2,706,422	2,752,678	2,584,734	6,345,050	5,291,156
Total liabilities	**6,190,967**	**5,048,634**	**2,757,678**	**2,590,354**	**8,948,645**	**7,638,988**
Net assets:						
Invested in capital assets, net of debt	30,638,524	29,906,021	208,019	220,322	30,846,543	30,126,343
Restricted	6,208,285	5,352,364	-	-	6,208,285	5,352,364
Unrestricted	3,762,469	4,331,988	3,359,874	2,439,652	7,122,343	6,771,640
Total net assets	**$ 40,609,278**	**$ 39,590,373**	**$ 3,567,893**	**$ 2,659,974**	**44,177,171**	**$ 42,250,347**

Current assets in both governmental activities and business-type activities increased in fiscal year June 30, 2012. Cash increased $2,744,797 which is due to the improved cash position in the General Fund, Landfill Fund and the 2008 SPLOST collections unspent at year end.

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 6.22 to 1 and 847.2 to 1 for business type activities (excluding restricted assets). For the County overall, the current ratio is 7.83 to 1. These ratios are adequate.

The County reported positive balances in net assets for both governmental and business-type activities. Net assets increased $1,018,905 for governmental activities and increased by $907,919 for business-type activities. Of this increase in governmental activities, the major contributor was that general revenues exceeded net governmental activities by $338,905 and there was a transfer from the solid waste fund of $680,000.

Note that approximately 75% of the governmental activities' net assets are tied up in capital assets. The County uses these capital assets to provide services to its citizens. Combining governmental activities with business type activities, the County has invested approximately 70 % of its total assets in capital assets, as presented in the government-wide statement of net assets.

The following table provides a summary of the County's changes in net assets for the past two fiscal years:

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
Revenues:	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Program:						
Charges for services	$ 2,683,864	$ 2,793,217	$ 1,601,812	$ 1,374,918	$ 4,285,676	$ 4,168,135
Operating grants	346,888	131,503	-	-	346,888	131,503
Capital grants	856,660	5,708,445	-	-	856,660	5,708,445
General:						
Property taxes	10,356,719	10,821,826	-	-	10,356,719	10,821,826
Sales taxes	7,689,931	2,636,607	-	-	7,689,931	2,636,607
Other taxes	1,556,145	1,549,055	-	-	1,556,145	1,549,055
Other	808,247	801,296	7,277	4,303	815,524	805,599
Total revenues	**24,298,454**	**24,441,949**	**1,609,089**	**1,379,221**	**25,907,543**	**25,821,170**
Program Expenses:						
General government	3,914,609	3,955,914	-	-	3,914,609	3,955,914
Judicial	2,640,702	2,525,477	-	-	2,640,702	2,525,477
Public safety	10,619,952	10,016,414	-	-	10,619,952	10,016,414
Public works	4,373,505	4,283,867	-	-	4,373,505	4,283,867
Planning/community development	1,239,807	1,147,473	-	-	1,239,807	1,147,473
Health and welfare	349,176	363,669	-	-	349,176	363,669
Culture and recreation	271,753	266,200	-	-	271,753	266,200
Sanitation	547,694	524,724	-	-	547,694	524,724
Interest	2,351	2,438	-	-	2,351	2,438
Solid waste	-	-	21,170	30,520	21,170	30,520
Total expenses	**23,959,549**	**23,086,176**	**21,170**	**30,520**	**23,980,719**	**23,116,696**
Increase in net assets before transfers	338,905	1,355,773	1,587,919	1,348,701	1,926,824	2,704,474
Transfers	680,000	480,000	(680,000)	(480,000)	-	-
Increase in net assets	**1,018,905**	**1,835,773**	**907,919**	**868,701**	**1,926,824**	**2,704,474**
Beginning net assets	**39,590,373**	**37,754,600**	**2,659,974**	**1,791,273**	**42,250,347**	**39,545,873**
Ending net assets	**$ 40,609,278**	**$ 39,590,373**	**$ 3,567,893**	**$ 2,659,974**	**$ 44,177,171**	**$ 42,250,347**

GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations. Property taxes provided 42.6% of the County's total governmental revenues and sales taxes (excluding SPLOST) provided 11.3% of the County's total governmental revenues as compared to 44.3% and 10.8% respectively for the prior year. Because of the County's healthy financial position, we have been able to earn $23,195 in interest earnings to support governmental activities. Also, note that program revenues cover only 16.2% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues fund 83.8% of the governmental activities. As a result, the general economy and the county businesses have a major impact on the County's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety function makes up approximately $10.6 million or 44.3% of total governmental activities expenses. Public works totals approximately $4.4 million or 18.3 % of total governmental expenses.

This table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	$ 3,914,609	16.3%	$ 3,468,869	17.3%
Judicial	2,640,702	11.0%	1,429,323	7.1%
Public safety	10,619,952	44.3%	9,339,829	46.5%
Public works	4,373,505	18.3%	3,516,845	17.5%
Planning/community development	1,239,807	5.2%	1,164,770	5.8%
Health and welfare	349,176	1.5%	333,121	1.7%
Culture and recreation	271,753	1.1%	269,335	1.3%
Sanitation	547,694	2.3%	547,694	2.7%
Interest and fiscal costs	2,351	0.0%	2,351	0.0%
Total	**$ 23,959,549**	**100.0%**	**$ 20,072,137**	**100.0%**

After reducing gross expenses by program revenues, public safety still exceeds 46.5% of costs. As indicated in the table, total cost and net costs do not differ substantially by percentage for each function.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The major enterprise fund is the County's solid waste management program. The operating revenues for the solid waste management fund were 16.5% more than 2011 and operating expenses 30.6% less than 2011. On February 26, 2002, the County entered into an agreement with a private contractor to operate our landfill facility. As a result, we do not receive landfill-tipping fees and operating expenses as nominal.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $12,992,767 compared to $11,941,406 in 2011. The General Fund increased its fund balance by $359,632 during the fiscal year. Of this year-end total, $6,453,856 is unassigned indicating availability for continuing County service requirements. However, $957,426 of this fund balance is classified as nonspendable i.e. set aside for prepaid items, inventory and advances to other funds. The following amounts in the other County funds are restricted for 1) capital projects ($5,495,657) and other program purposes ($712,628). The balance of $1,759 is assigned for Sheriff special projects.

The total ending fund balances of governmental funds show an increase of $1,051,361 or 8.80% of the prior year's total. This increase relates primarily to the positive general fund activities and increase in unspent 2008 SPLOST funds.

Major Governmental Funds

The **General Fund** is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by $359,632 or 5.10%. The ending unassigned fund balance is considered adequate, representing 36.05% of annual expenditures. This compared to 41.3% of annual expenditures at June 30, 2011. This is a positive indicator for the County which exceeds the benchmark of 10-25% that is generally recognizes as being adequate

As indicated earlier, the two major tax revenues are property taxes and sales taxes. General property taxes decreased by $444,375 or 4.75 %. This is partially due to a 3.05% decrease in the tax digest with the County M&O millage rate remaining the same as 2011. Also, general property taxes receivable was greater by $98,552 over 2011 due principally to the slow economy. Because of the 60 day revenue recognition rule implemented by the County under the modified accrual basis of accounting deferred taxes increased $110,459. This also is part of the reason general property taxes were less in 2012 vs. 2011. Taxes for motor vehicles and mobile homes increased $21,643 or 2.05%.

Local Option Sales Tax (LOST) increased by $68,278 or 2.59%. The real estate transfer taxes decreased $259 or 1.46% due to less home sales because of the credit issues that are plaguing the economy. Intangible taxes decreased $13,173 or 14.41 % due to fewer home sales and refinancing loans. In addition, the County does not collect intangible taxes on homes that go through the foreclosure process.

In 2012, licenses and permits were approximately $3,007 or 3.85% below the prior year. The decrease relates to the occupational and building permits. Building permit revenues decreased as construction permits decreased, reflecting the status of the residential and commercial construction downturn.

State, local and federal government revenues were $83,322 more than 2011, primarily because of a Federal airport infrastructure grant and Federal Bureau of Justice Jag and Byrne courts and law enforcement grants.

Charges for services decreased $26,460 or 2.97% primarily due to a reduction in EMS collections of delinquent accounts and the revenue from prisoner housing fees decreasing $12,908 or 3.05% over the 2011 amount.

Most other revenue streams were consistent with that of fiscal 2011. In total, the County recognized $291,661 or 1.62% under the 2011 total revenues as noted.

Total **General Fund** expenditures for fiscal 2012 increased $829,174 or 4.86% from fiscal 2011. Total general government expenditures were $89,433 below the 2011 amount. The majority of this change occurred in the public buildings line item, for a decrease of $51.438 or 7.56% due to prior year building repairs.

In total the judicial system expenditures increased $107,932 or 4.73%. The major increase relates to the costs for the Superior, Probate, Juvenile courts and public defender office costs.

The largest cost center, public safety increased $545,763 or 7.09%. The increase in costs of the sheriff was $215,554; county police/drug task force $98,195; fire $211,709; and Emergency Medical Services of $79,547. There was also a decrease in costs for the Jail of $64,313.

Planning/Community Development increased $137,464 over 2011 principally due an increase in Airport operations of $164,620.

2008 SPLOST Capital Project Fund - The 2008 Special Purpose Local Option Sales Tax Capital Project Fund is utilized to account for the proceeds of a 1 percent local option sales tax approved November 6, 2007 for a period of time not to exceed six years for the purpose of funding County wide recreation, paving and bridge improvements, equipment and facilities for public safety, public health equipment and facilities, public welfare improvements, County buildings and facilities, economic development and safety equipment and an intergovernmental agreement with the cities of Cedartown, Rockmart and Aragon.

This fund is being spent down, consistent with the approved referendum approved projects list. In this year, this fund received $4,985,046 of sales tax collections, State paving contracts of $624,745 and investment earnings of $1,674.

The fund expended $2,032,834 for County projects controlled by the Board of Commissioners and transmitted $2,307,078 to the cities pursuant to the applicable intergovernmental agreements.

At June 30, 2012, the fund balance was $5,493,723 as compared to $4,221,870 at June 30, 2011
.

E-911 Special Revenue Fund - To account for funds generated from telephone subscriber surcharge fees for the emergency 911 system.

At June 30, 2012 cash and accounts receivables were $2,111 less than 2011 while accounts payable, accruals and advances due other funds was down $132,797. The fund deficit at June 30, 2012 was $628,559 which is greater than the 2011 balance of $493,651. .

Charges for services decreased $37,104 or 5.8%.

Total expenditures in 2012 were $951,110 or 1.2% less than 2011.

Total governmental expenditures in fiscal 2012 were up $1,734,442 or 7.85% from fiscal year 2011. General government increased $253,863 or 8.24%. Public safety increased $1,017,582 due to the items discussed above applicable to the general fund and more equipment purchased in the 2008 SPLOST Fund. Health and Welfare decreased $64,207 primarily due to the completion of the Women' Shelter in FY 2011. Planning/Community development increased $204,878 principally due to increased airport costs as discussed above.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, the analysis is presented above.

General Fund Budgetary Highlights

The General Fund – The total general fund revenue budget (excluding other financing sources) was amended upwards by $429,036 or 5.8%. The General Property tax budget was amended downward $39,084 but the final revenue was still over budget by $45,649. Sales taxes were adjusted upward by $357,000 due to a more stabilized sales environment than was expected, with the actual revenue being over the budget by $2,885.

Other financing sources (uses) had a positive variance of $16,350 as a result of decreased transfers out to the E-911 fund.

Insurance premium tax was $39,397 over budget.

In total, intergovernmental revenue was above the budget by $1,993. The budget for the Federal and State revenues was amended downward by $415,000 while actual revenues were $2,196 under the final budget.

Charges for services were over the final budget by $28,576, primarily as a result of prisoner housing fees exceeding the anticipated budget amounts. .

Courts and Law Enforcement were $9,201 over budget. The Probate Court was $23,668 over budget due to an increase in traffic revenue. Magistrate Court was over budget $2,394 due to increased civil filing fees. Investment earnings were $6,707 above budget. In total, the County recognized 100.9 % of the final revenue budget.

The General Fund's expenditure budget was decreased $541,106 or 2.9%

The general government function was under spent by $100,853 or 3.3%. The administration department was under spent by $60,119 or 6.4%. The major differences relate to reduced:

Legal	$11,000
Technical Services	6,000
General Insurance	7,000
Education and Training	4,000
Contract Labor	5,000

Tax Assessor department was under spent by $18,150 or 3.4% due to budgeted positions were not filled during the year.

The public safety budget was under spent by $28,222 or just 0.34%. The sheriff's budget (including jail) was under spent by $14,406 or .3%. The public works budget was under spent by $11,734. Planning/Community Development was underspent by $26,436 or 2.58%.

In total, the County under spent the final expenditure budget by $201,637 or 1.1%. Because of the shrinking economy, all departments attempted to minimize their spending to help offset reducing revenues.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2012, was $30,646,111 and $208,019 respectively. The total decrease in this net investment was 5.98 % for governmental and a 5.9% decrease for business-type activities. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2012	2011	2012	2011	2012	2011
Non-depreciable assets:						
Land	$ 3,115,756	$ 3,115,756	$ 150,186	$ 150,186	$ 3,265,942	$ 3,265,942
Construction in progress	746,793	-	-	-	746,793	-
Total non-depreciable	**3,862,549**	**3,115,756**	**150,186**	**150,186**	**4,012,735**	**3,265,942**
Depreciable assets:						
Land improvements	1,651,759	1,651,759	-	-	1,651,759	1,651,759
Buildings	20,585,466	20,260,901	-	-	20,585,466	20,260,901
Machinery and equipment	11,784,444	11,979,172	-	-	11,784,444	11,979,172
Infrastructure	32,619,971	31,694,641	-	-	32,619,971	31,694,641
Landfill	-	-	5,122,144	5,122,144	5,122,144	5,122,144
Total depreciable assets	**66,641,640**	**65,586,473**	**5,122,144**	**5,122,144**	**71,763,784**	**70,708,617**
Less accumulated depreciation	39,858,078	38,781,447	5,064,311	5,052,008	44,922,389	43,833,455
Book value - depreciable assets	**26,783,562**	**26,805,026**	**57,833**	**70,136**	**26,841,395**	**26,875,162**
Percentage depreciated	**59.81%**	**59.13%**	**98.87%**	**98.63%**	**62.60%**	**61.99%**
Book value - all assets	**$ 30,646,111**	**$ 29,920,782**	**$ 208,019**	**$ 220,322**	**$ 30,854,130**	**$ 30,141,104**

(a) as restated

At June 30, 2012, the depreciable capital assets for governmental activities were 59.81% depreciated. This is slightly above the June 30, 2011 percentage. This comparison indicates that the County is not replacing its assets at the same rate as they are depreciating which is a factor to monitor. However, since almost 63 % of the County's governmental assets are depreciated this is a further indicator that the County needs to work towards replacing its some of its capital assets.

For governmental activities, construction in progress increased $746,793 as follows:

Project	Cost
Firing Range	$ 41,558
Airport Project	237,770
Software	116,782
Radio System	151,835
Public Works Facility	68,671
Time Keeping System	53,226
IT Hardware Upgrades	68,376
Other	8,575
	$ 746,793

Infrastructure increased approximately $925,330 for road paving and resurfacing.

With the County's business type activities, 98.6% of the asset values were depreciated at June 30, 2012 compared to 98.4% at June 30, 2011. Since the operations of the landfill are contracted out, this large percentage of depreciated assets is not a significant issue.

Long-term Debt

At the end of the fiscal year, the County had installment contracts of $7,587. The installment contracts liability relates to equipment purchases.

During the year, the County retired $7,174 or 48.6% of the beginning installment contracts.

Outstanding Borrowings

	Governmental Activities		Business-type Activities		Totals		% Change
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	
Installment contracts	$ 7,587	$ 14,761	$ -	$ -	$ 7,587	$ 14,761	-48.6%
Landfill closure and post-closure care	-	-	924,163	924,163	924,163	924,163	0%
Compensated absences	710,622	706,102	-	-	710,622	706,102	0.6%
Total	**$ 718,209**	**$ 720,863**	**$ 924,163**	**$ 924,163**	**$ 1,642,372**	**$ 1,645,026**	**-0.2%**

The County's last bond rating for the uninsured bonds was "A", but no ratings have been secured in the last 15 years since the County had not issued any general obligation bonds.

See Note 3-I for additional information about the County's long-term debt. We discuss the landfill closure and postclosure care liability in Note 3-G.

Economic Conditions Affecting the County

Economic conditions for Polk County were somewhat better than that of other counties in our immediate region of the state for 2012. Despite the States continually declining economy that has forced government at all levels to drastically reduce their budgets, the County's General Fund revenues (excluding emergency medical services) decreased 1.5% over that of 2011 and increased 0.18% overall for the past five years. In considering reports from economist forecasting a continued sluggish economy through 2012, the County has planned for a .3% decrease in General Fund revenues for this fiscal year. The County is anticipating that the tax digest will slightly decrease for the fiscal year 2013 budget.

The service sector employment accounts for almost 40% of the jobs located in the County followed by manufacturing at 18.5%, construction at 10.5%, retail trade at 10.5%, with public administration, finance/insurance/real estate, transportation/utilities, wholesale trade, and agriculture accounting for the remaining 20.5%.. According to the latest information available, the County's 2012 unemployment rate of 9.4% is slightly higher than the State's average of 9.0 %. Median household income of County residents is estimated at $38,514, which is lower than the average for the State's 159 counties of $49,736.

Due to insightful planning by County Leaders and staff, to date County employees have been spared from mandatory furloughs, unlike many of our neighboring counties. In fact, the County's total full time work force has increased in the past five years. Most of this growth has been in the areas of Public Safety and the Judicial System.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Finance Director at Polk County Board of Commissioners. P.O. Box 268, Cedartown, GA 30125.

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BASIC FINANCIAL STATEMENTS

Polk County, Georgia
Statement of Net Assets
June 30, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	$ 13,026,382	$ 4,110,551	$ 17,136,933	$ 1,191,303
Receivables:				
Accounts	204,425	124,116	328,541	107
Property taxes	898,919	-	898,919	-
Intergovernmental	1,411,439	-	1,411,439	101,457
Interest	362	1,547	1,909	-
Notes	-	-	-	1,107
Inventory	5,261	-	5,261	1,883,133
Prepaid items	410,749	-	410,749	-
Net pension obligation	196,597	-	196,597	-
Restricted Assets	-	1,881,338	1,881,338	-
Capital Assets:				
Nondepreciable capital assets	3,862,549	150,186	4,012,735	-
Depreciable capital assets, net	26,783,562	57,833	26,841,395	-
Total Assets	46,800,245	6,325,571	53,125,816	3,177,107
Liabilities				
Current Liabilities				
Accounts payable	1,121,292	-	1,121,292	423
Intergovernmental payable	243,088	-	243,088	22,886
Accrued expenses	743,317	-	743,317	2,049
Accrued interest payable	-	-	-	-
Notes payable	-	-	-	1,277,308
Unearned revenue	11,077	5,000	16,077	-
Compensated absences payable	475,000	-	475,000	-
Installment contracts payable	4,821	-	4,821	-
Long-Term Liabilities:				
Net OPEB obligation	3,353,984	-	3,353,984	-
Compensated absences payable (net of current portion)	235,622	-	235,622	26,480
Deferred income - postclosure trust agreement	-	1,828,515	1,828,515	-
Landfill closure and postclosure care costs	-	924,163	924,163	-
Installment contract payable (net of current portion)	2,766	-	2,766	-
Total Liabilities	6,190,967	2,757,678	8,948,645	1,329,146
Net Assets				
Invested in capital assets, net of related debt	30,638,524	208,019	30,846,543	-
Restricted for:				
Capital projects	5,495,657	-	5,495,657	-
Public safety	448,868	-	448,868	-
Other purposes	263,760	-	263,760	-
Unrestricted	3,762,469	3,359,874	7,122,343	1,847,961
Total Net Assets	$ 40,609,278	$ 3,567,893	$ 44,177,171	$ 1,847,961

See accompanying notes to the basic financial statements

Polk County, Georgia
Statement of Activities
For the Year Ended June 30, 2012

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government								
General government	$ 3,914,609	$ 443,240	$ 2,500	$ -	$ (3,468,869)	$ -	$ (3,468,869)	$ -
Judicial	2,640,702	1,119,389	91,990	-	(1,429,323)	-	(1,429,323)	-
Public safety	10,619,952	1,043,780	236,343	-	(9,339,829)	-	(9,339,829)	-
Public works	4,373,505	-	-	856,660	(3,516,845)	-	(3,516,845)	-
Planning/community development	1,239,807	75,037	-	-	(1,164,770)	-	(1,164,770)	-
Health and welfare	349,176	-	16,055	-	(333,121)	-	(333,121)	-
Culture and recreation	271,753	2,418	-	-	(269,335)	-	(269,335)	-
Sanitation	547,694	-	-	-	(547,694)	-	(547,694)	-
Interest	2,351	-	-	-	(2,351)	-	(2,351)	-
Total Governmental Activities	$ 23,959,549	$ 2,683,864	$ 346,888	$ 856,660	(20,072,137)	-	(20,072,137)	-
Business-Type Activities:								
Solid Waste	$ 21,170	$ 1,601,812	$ -	$ -	-	1,580,642	1,580,642	-
Component Units								
Polk County Health Department	$ 1,240,027	$ 349,757	$ 603,422	$ -				(286,848)
Development Authority of Polk County	296,688	-	10,000	-				(286,688)
Total - Component Units	$ 1,536,715	$ 349,757	$ 613,422	$ -				(573,536)
		General Revenues						
		General property taxes			10,356,719	-	10,356,719	-
		Recording intangibles			78,234	-	78,234	-
		Real estate transfer taxes			17,526	-	17,526	-
		Alcoholic beverage taxes			118,910	-	118,910	-
		Sales taxes			7,689,931	-	7,689,931	-
		Insurance premium tax			1,129,397	-	1,129,397	-
		Other taxes			212,078	-	212,078	-
		Unrestricted county funding			-	-	-	460,728
		Rents			418,898	-	418,898	-
		Investment earnings			10,813	7,277	18,090	1,910
		Miscellaneous			378,536	-	378,536	20,035
		Total General Revenues			20,411,042	7,277	20,418,319	482,673
		Transfers			680,000	(680,000)	-	-
		Total General Revenues and Transfers			21,091,042	(672,723)	20,418,319	482,673
		Change in Net Assets			1,018,905	907,919	1,926,824	(90,863)
		Net Assets - Beginning			39,590,373	2,659,974	42,250,347	1,938,824
		Net Assets - Ending			$ 40,609,278	$ 3,567,893	$ 44,177,171	$ 1,847,961

See accompanying notes to the basic financial statements

Polk County, Georgia
Balance Sheet
Governmental Funds
June 30, 2012

	General	2008 SPLOST	E-911 Emergency Telephone Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 6,950,510	$ 5,317,735	$ 50,000	$ 708,137	$ 13,026,382
Receivables					
Accounts	115,718	-	88,707	-	204,425
Property taxes	898,919	-	-	-	898,919
Intergovernmental	902,483	498,130	-	10,826	1,411,439
Interest	362	-	-	-	362
Interfund	653	28,087	-	12,607	41,347
Advances	541,416	-	-	-	541,416
Inventory	5,261	-	-	-	5,261
Prepaid items	410,749	-	-	-	410,749
Total Assets	$ 9,826,071	$ 5,843,952	$ 138,707	$ 731,570	$ 16,540,300
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 983,068	$ 119,695	$ 7,147	$ 11,380	$ 1,121,290
Accrued expenditures	524,616	-	218,703	-	743,319
Interfund payable	37,478	-	-	3,869	41,347
Advances payable	-	-	541,416	-	541,416
Intergovernmental	12,554	230,534	-	-	243,088
Deferred revenue	857,073	-	-	-	857,073
Total Liabilities	2,414,789	350,229	767,266	15,249	3,547,533
Fund Balances (Deficits)					
Nonspendable:					
Prepaid items	410,749	-	-	-	410,749
Inventory	5,261	-	-	-	5,261
Advances to other funds	541,416	-	-	-	541,416
Restricted for:					
Capital projects	-	5,493,723	-	1,934	5,495,657
Public Safety	-	-	-	466,900	466,900
Law Library	-	-	-	69,394	69,394
Court programs	-	-	-	113,278	113,278
Superior Court statewide index program	-	-	-	63,056	63,056
Assigned - Sheriff special programs	-	-	-	1,759	1,759
Unassigned					
General fund	6,453,856	-	-	-	6,453,856
Special revenue funds	-	-	(628,559)	-	(628,559)
Total Fund Balances (Deficits)	7,411,282	5,493,723	(628,559)	716,321	12,992,767
Total Liabilities and Fund Balances (Deficits)	$ 9,826,071	$ 5,843,952	$ 138,707	$ 731,570	$ 16,540,300

Polk County, Georgia
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2012

Total Governmental Fund Balances		$ 12,992,767
Amounts reported for governmental activities in the statement of net assets are different because:		
Net pension obligation		196,597
Governmental funds report capital outlay as expenditures are different because: However, in the statement of net assets the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	$ 70,504,189	
Less accumulated depreciation	(39,858,078)	30,646,111
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes	837,539	
Rents	8,457	845,996
Liabilities not due and payable in the current period and therefore are not reported in the funds but are reported at the government-wide financial reporting levels.		
Installment contracts	(7,587)	
Other postemployment benefits	(3,353,984)	
Compensated absences	(710,622)	(4,072,193)
Net Assets Of Governmental Activities		$ 40,609,278

Polk County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General	2008 SPLOST	E-911 Emergency Telephone Fund	Other Governmental Funds	Total Governmental Funds
s					
Taxes	$ 14,507,290	$ 4,985,046	$ -	$ -	$ 19,492,336
Licenses and permits	75,037	-	-	-	75,037
Intergovernmental	582,193	624,745	-	-	1,206,938
Charges for services	864,876	-	600,886	20,197	1,485,959
Courts and Law enforcement	926,101	-	-	193,288	1,119,389
Investment earnings and rents	422,707	1,674	-	444	424,825
Miscellaneous	287,042	-	2,248	5,756	295,046
Total Revenues	17,665,246	5,611,465	603,134	219,685	24,099,530
Expenditures					
Current:					
General government	2,926,306	407,247	-	-	3,333,553
Judicial	2,390,195	-	-	79,402	2,469,597
Public safety	8,241,517	747,344	951,110	113,413	10,053,384
Public works	2,263,266	858,627	-	428,758	3,550,651
Planning/community development	995,284	19,316	-	-	1,014,600
Health and welfare	309,663	-	-	-	309,663
Culture and recreation	218,894	-		-	218,894
Sanitation	547,694	-	-	-	547,694
Intergovernmental	-	2,307,078	-	3,328	2,310,406
Debt Service:					
Principal retirement	8,308	-	-	-	8,308
Interest and fiscal charges	1,237	-	-	-	1,237
Total Expenditures	17,902,364	4,339,612	951,110	624,901	23,817,987
Excess (Deficiency) of Revenues Over (Under) Expenditures	(237,118)	1,271,853	(347,976)	(405,216)	281,543
Other Financing Sources (Uses)					
Capital leases	-	-	-	-	-
Sale of capital assets- Timber	89,818	-	-	-	89,818
Transfers in	720,000	-	213,068	10,424	943,492
Transfers out	(213,068)	-	-	(50,424)	(263,492)
Total Other Financing Sources (Uses)	596,750	-	213,068	(40,000)	769,818
Net Change in Fund Balances	359,632	1,271,853	(134,908)	(445,216)	1,051,361
Fund Balances Beginning of Year - Restated	7,051,650	4,221,870	(493,651)	1,161,537	11,941,406
Fund Balances End of Year	$ 7,411,282	$ 5,493,723	$ (628,559)	$ 716,321	$ 12,992,767

See accompanying notes to the basic financial statements

Polk County, Georgia
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2012

Net Changes In Fund Balances - Total Governmental Funds		$ 1,051,361
Amounts reported for governmental activities in the statement of activities are different because		
Net pension obligation - to recognize pension assets resulting from contributions in excess of the annual contribution		10,357
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 as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (1,529,766)	
Capital outlay	2,261,423	731,657
In the statement of activities, a gain or loss on sales, trade-ins, or other dispositions of capital assets is reported, whereas in the governmental funds, the proceeds received from dispositions of capital assets increases financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of capital assets disposed		(6,328)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred revenues		115,434
The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the Statement of Net Assets, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.		
Long-term debt		-
Elimination of transfers between governmental funds:		
Transfers in	(263,492)	
Transfers out	263,492	-
Other postemployment expenses are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(886,250)
Interest expense 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.		
Liability @ 6/30/11	-	
Liability @ 6/30/10	20	20
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		7,174
Compensated absences 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.		
Liability @ 6/30/11	(710,622)	
Liability @ 6/30/10	706,102	(4,520)
Change In Net Assets of Governmental Activities		$ 1,018,905

See accompanying notes to the basic financial statements

Polk County, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities - Enterprise Fund Solid Waste
Assets	
Current Assets	
Cash and cash equivalents	$ 4,110,551
Receivables:	
Accounts	124,116
Interest	1,547
Total Current Assets	4,236,214
Noncurrent Assets	
Restricted Assets	
Cash and cash equivalents	1,881,338
Capital Assets	
Land	150,186
Depreciable capital assets, net	57,833
Total Noncurrent Assets	2,089,357
Total Assets	6,325,571
Liabilities	
Current Liabilities	
Accounts payable	-
Deferred revenue	5,000
Total Current Liabilities	5,000
Long-Term Liabilities	
Deferred income - postclosure trust agreement	1,828,515
Landfill closure and postclosure care costs	924,163
Total Long-Term Liabilities	2,752,678
Total Liabilities	2,757,678
Net Assets	
Invested in capital assets	208,019
Unrestricted	3,359,874
Total Net Assets	$ 3,567,893

Polk County, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund Solid Waste
Operating Revenues	
Rental and royalty fees	$ 1,575,168
Recycling sales	26,644
Total Operating Revenues	1,601,812
Operating Expenses	
Operating	8,866
Depreciation and amortization	12,304
Total Operating Expenses	21,170
Operating Income (Loss)	1,580,642
Non-Operating Revenues (Expenses)	
Investment earnings	7,277
Total Non-Operating Revenues (Expenses)	7,277
Income Before Transfers in (out)	1,587,919
Transfers out	(680,000)
Change in Net Assets	907,919
Net Assets Beginning of Year	2,659,974
Net Assets End of Year	$ 3,567,893

Polk County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

(continued)

	Business-type Activities - Enterprise Fund Solid Waste
Cash Flows from Operating Activities	
Cash received from customers	$ 1,606,281
Cash payments for goods and services	(9,486)
Net Cash Provided by Operating Activities	1,596,795
Cash Flows from Noncapital Financing Activities	
Transfers in (out) from other funds	(680,000)
Postclosure trust funding by lessee	167,944
Net Cash Provided by (Used in) Noncapital Financing Activities	(512,056)
Cash Flows from Investing Activities	
Investment earnings	10,737
Net Increase in Cash and Cash Equivalents	1,095,476
Cash and Cash Equivalents Beginning of Year	4,896,413
Cash and Cash Equivalents End of Year	$ 5,991,889

Polk County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund Solid Waste
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ 1,580,642
Adjustments	
Depreciation and amortization	12,304
(Increase) Decrease in Assets	
Accounts receivable	4,469
Increase (Decrease) in Liabilities	
Accounts payable	(620)
Net Cash Provided by Operating Activities	$ 1,596,795

Polk County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	Agency
Assets	
Cash and cash equivalents	$ 836,514
Receivables	
Accounts	2,954
Property taxes	1,344,447
Total Assets	$ 2,183,915
Liabilities	
Due to others	$ 2,183,915

Polk County, Georgia
Combining Statement of Net Assets
Component Units
June 30, 2012

	Polk County Health Department	Development Authority of Polk County	Total
Assets			
Cash and cash equivalents	$ 227,586	$ 963,717	$ 1,191,303
Receivables			
Accounts	107	-	107
Intergovernmental	101,457	-	101,457
Notes	-	1,107	1,107
Inventory - Land and Building	-	1,881,317	1,881,317
Inventory - Supplies	1,816	-	1,816
Total Assets	330,966	2,846,141	3,177,107
Liabilities			
Note payable	-	1,277,308	1,277,308
Accounts payable	423	-	423
Intergovernmental payable	22,886	-	22,886
Accrued expenses	-	2,049	2,049
Compensated absences - long-term	26,480	-	26,480
Total Liabilities	49,789	1,279,357	1,329,146
Net Assets			
Unrestricted	281,177	1,566,784	1,847,961
Total Net Assets	$ 281,177	$ 1,566,784	$ 1,847,961

POLK COUNTY, GEORGIA
Combining Statement of Activities
Components Units
For the year ended June 30, 2012

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Polk County Board of Health	Net (Expense) Revenue and Changes in Net Assets: Development Authority of Polk County	Net (Expense) Revenue and Changes in Net Assets: Total
Board of Health	$ 1,240,027	$ 349,757	$ 603,422	$ (286,848)	$ -	$ (286,848)
Development Authority	296,688	-	10,000	-	(286,688)	(286,688)
Total component units	$ 1,536,715	$ 349,757	$ 613,422	(286,848)	(286,688)	(573,536)
General revenues:						
Payments from Polk County				197,955	262,773	460,728
Unrestricted investment earnings				486	1,424	1,910
Miscellaneous				20,035	-	20,035
Total general revenues				218,476	264,197	482,673
Change in net assets				(68,372)	(22,491)	(90,863)
Net assets - beginning				349,549	1,589,275	1,938,824
Net assets - ending				$ 281,177	$ 1,566,784	$ 1,847,961

See accompanying notes to the basic financial statements

NOTES TO THE
BASIC FINANCIAL STATEMENTS

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Geographically, Polk County is located in northwestern Georgia approximately 50 miles west of the city limits of Atlanta, with a land area of 311 square miles. The county's population was 41,475 in 2010 as estimated by the U.S. Census Bureau.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise fund at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the County legal entity and the County's constitutional officers (e.g., the sheriff, the tax commissioner).

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The County's component units are presented either as "blended" or "discretely presented." When blended, it is reported as if it were a fund of the County throughout the year. It is included at both the government-wide and the fund financial reporting levels.

Discretely presented component units are reported only at the government-wide financial reporting level. The component unit columns included on the government-wide financial statements identifies the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

A brief description of the blended component unit follows:

Polk County Public Purpose Corporation (the Corporation) – the Corporation is governed by a three-member board appointed by County Board of Commissioners. Although it is legally separate from the County (created pursuant to Georgia Law) the Corporation is reported as if it were part of the primary government because its primary purpose was to acquire and construct a rental property and subsequently sell this asset to the County pursuant to an installment agreement that includes annual funding provisions.

The component unit columns included on the government-wide financial statements identify the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

Brief descriptions of the discretely presented component units follow:

Development Authority of Polk County (the Authority) – the Authority is responsible for promoting industrial and commercial development within the County. The members of the Authority's governing board are appointed to staggered terms by the County Board of Commissioners. The Authority is responsible for adopting its own annual budget and making its own operating decisions. However, the County does provide substantial financial support each year and has contractually obligated itself to use its taxing powers to guarantee the repayment of principal and interest on certain bank loans issued by the Authority. The Authority is presented as a governmental fund type. The Authority does not issue separate financial statements.

Polk County Health Department *(the Health Department)* – The Department is responsible for providing environmental and physical health services to the citizens of the County. The governing board of the Department consists of seven members. The Chairman of the Board of Commissioners, Chairman of the Cedartown City Commission, and the Superintendent of the Polk County Board of Education (by virtue of their offices), three members appointed by the County, and one member appointed by City of Cedartown. The County by virtue of its appointments and the presence of the Chairman of the Board of Commissioners on the Board of Health controls a majority of Board of Health governing positions. Although the County does not have the authority to approve or modify the Health Department's operational and capital budget, it does have the ability to control the amount of funding it provides to the Board of Health. Such funding is significant to the overall operations of the Health Department.

Complete financial information of the individual component units can be obtained directly from their administration offices.

Development Authority of Polk County
604 Goodyear Street
Rockmart, Georgia 30153

Polk County Board of Health
Ware Street
Cedartown, Georgia 30125

Polk County Public Purpose Corporation
Cedartown, Georgia

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the County as a whole except for fiduciary activities, which are excluded. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and County's general revenues, from business-type activities, generally financed in whole or in part with landfill rental/host fees to the landfill operator.

The statement of net assets presents the financial position of the governmental and business-type activities of the County and it's discretely presented component unit at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

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

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

Major individual governmental and the major enterprise fund are reported in separate columns with composite columns for nonmajor funds.

Fund Accounting - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

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

> ***The General Fund*** - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Georgia.
>
> **2008 Special Purpose Local Option Sales Tax (SPLOST) -** The 2008 Special Purpose Local Option Sales Tax Capital Project Fund is utilized to account for the proceeds of a 1 percent local option sales tax approved November 6, 2007 for a period of time not to exceed six years for the purpose of funding County wide recreation, paving and bridge improvements, equipment and facilities for public safety, public health equipment and facilities, public welfare improvements, County buildings and facilities, economic development

and safety equipment and an intergovernmental agreement with the cities of Cedartown, Rockmart and Aragon.

E-911 Special Revenue Fund – To account for funds generated from telephone subscriber surcharge fees for the emergency 911 system.

The County also reports *Other Governmental Funds*, which are individually nonmajor, in total.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The proprietary funds are classified as an enterprise fund and an internal service fund. The following is the County's major enterprise fund.

Solid Waste Fund - This fund accounts for the activity at the County landfill for which the operation is contracted to a private sector vendor.

Additionally, the County reports the following fund types:

Agency Funds – The County uses these funds to account for monies held primarily by Constitutional Officers for others on a temporary basis.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

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

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. All fiduciary funds use the accrual basis. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 4-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

Deferred/Unearned Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

At the government-wide financial reporting level, deferred revenue is reclassified as unearned revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the County to invest in the following type of obligations:

Obligations of the State of Georgia or of any other states
Obligations of the United States Government
Obligations fully insured or guaranteed by the United States Government or Government agency

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

1-E-2 Receivables

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

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables" and long-term interfund loans are classified as advances. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

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

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expense (at the government-wide financial reporting level) or expenditure (at the fund financial reporting level) in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved, as this amount is not available for general appropriation.

1-E-6 Restricted Assets

Pursuant to the landfill operating agreement (Note 3-G) a trust was established to provide for post closure costs on the existing Grady Road Landfill. These resources only can be used for post-closure costs until all mandated requirements are met. Liabilities payable from these restricted assets are reported separately to indicate that the source of payment is the restricted assets.

1-E-7 Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net assets and in the enterprise fund statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values

as of the date received. The County maintains a capitalization threshold for machines and equipment, building and infrastructure of five, fifteen and twenty thousand dollars, respectively. The County's infrastructure consists of roads and bridges, which the County chose to include regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized, as applicable.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-type Activities Estimated Lives
Land improvements	20 years	--
Buildings	20 - 60 years	31.5 - 40 years
Building improvements	20 years	5 - 31.5 years
Machinery and equipment	5 - 10 years	3 - 15 years
Infrastructure	40 years	--

The landfill is amortized over its remaining useful life based upon landfill capacity. At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-8 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

1-E-9 Accrued Liabilities and Long-term Obligations

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

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

funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds, installment contracts and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-10 Bond Premiums, Discounts and Issuance Costs

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

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

1-E-11 Fund Equity

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 current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

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

- **Committed –** Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the approval of a motion. 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 resolution, the Board of Commissioners has authorized the County Manager or designee to assign fund balances.

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

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first

and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Assets - Net assets represent the difference between assets and liabilities. 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 for the acquisition, construction or improvement of those assets. This net asset amount also is adjusted by any bond issuance deferral amounts. Net assets 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. 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.

1-E-12 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for solid waste activities. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. Nonoperating revenues and expenses are all those that do not meet the criteria described above, and include interest and debt service expenses.

1-E-13 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-14 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated.

1-E 15 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-16 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A Budgetary Information – Annual budgets are adopted on a basis consistent with GAAP for the general fund, all special revenue funds and the debt service funds. Project length budgets are adopted for capital projects funds in the normal budget process or de facto through the SPLOST referendum process. For administrative control purposes, a budget is adopted for the enterprise fund. All funds which are required to be budgeted by the Georgia Code will be budgeted in future fiscal years.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of Commissioners.

The County Manager may approve budget transfers between line items within departments. The Board of Commissioners must approve any transfers of personnel or capital appropriations. During the year, Board of Commissioners approved budget revisions.

All unexpended annual appropriations lapse at year-end.

2-B Excess of Expenditures over Appropriations

General Fund:

At June 30, 2012, no department's expenditures were over appropriations in excess of 3% of their budget.

Special Revenue:

Expenditures exceeded appropriations in the following funds:

Crime Victim Assistance	$	2,771
District Attorney		51,488
Sheriff - Other programs		6,954

All amounts were funded from current revenues or available fund balances. The importance of budget amendments will be reviewed with the elected officials who control these funds.

2-C Deficit Fund Equities

The following individual fund had deficit equities at the fund reporting level at June 30, 2012:

Emergency Telephone Special Revenue Fund	$	628,559

The deficits will be funded by General Fund transfers in future years and grant receipts, respectively.

Note 3 - Detailed Notes on All Funds

3-A Deposits and Investments

A reconciliation of cash and investments as shown on the statements of net assets follows:

	Cash and Cash Equivalents	Total
Cash on hand	$ 1,635	$ 1,635
Balances per note below	21,044,453	21,044,453
Total Cash and Investments	$ **21,046,088**	$ **21,046,088**
Statements of net assets (page 16)		
Primary Government:		
Cash and Cash Equivalents		$ 19,018,271
Component Unit		1,191,303
Statement of fiduciary net assets (page 26)		836,514
Total		**$ 21,046,088**

Deposits

The deposits of the County are governed by Georgia General Statutes (45-8-12; 13; etal) which allow depositories to collateralize excess deposits above Federal depository insurance coverage by one of two methods. Under the Dedicated Method, all deposits exceeding the Federal depository insurance coverage are collateralized with securities held by the County's agent in the County's name. Under the Georgia State Pledging Pool Program Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the director of the Office of State Treasurer agent in the name of the director. The State has selected the Georgia Bankers Association as agent. Since the director is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the director the adequacy of their pooled collateral covering uninsured deposits. The director does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the director of the Office of State Treasurer enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

Interest rate risk – Interest rate risk is the risk that the market value of securities in the County's portfolio will fall due to changes in general interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – deposits – Custodial credit risk for deposits is the risk that, in the event of bank failure, a government's deposits may not be returned to it. At June 30, 2012, the County (including the component units) had a carrying amount of $21,044,453 and bank balances of $21,459,923. The County's deposits were either covered by federal depository insurance, collateralized through the Georgia Public Funds Pledging Pool or other authorized securities listed herein:

Georgia law governs collateral requirements and forms of collateral under O.C.G.A. Section 45-8-12 which is incorporated by reference within the County's Investment Policy. The County has no custodial credit risk policies requiring additional collateral. In summary, Georgia law states:

- All deposits shall be collateralized within 10 days of deposit by a surety bond, a guarantee of insurance, or collateral.
- The face value of any surety bond, guarantee of insurance or collateral shall be at least 110% of the public funds being secured, net of deposit insurance.
- If a depository elects the pooled method (O.C.G.A. Section 45-8-13.1), the aggregate market value of pledged securities may not be less than 110% of the daily pool balance.

Authorized security for deposits enumerated under law includes surety bonds, FDIC insurance, obligations of the United States or the State of Georgia, obligations of Georgia counties or municipalities, bonds of any Georgia public authority, industrial revenue bonds of any Georgia development authority, and obligations of any subsidiary corporation of the United States government fully guaranteed by the United States (such as Federal Home Loan Bank, Federal National Mortgage Association, etc).

Investments

Interest rate risk – Interest rate risk is the risk that the market value of securities in the County's portfolio will fall due to changes in general interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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 banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Custodial credit risk – Investments - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all 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.

Concentration of credit risk – Polk County places no limit on the amount it may invest in any one issuer.

3-*B Receivables*

Receivables at June 30, 2012, consisted of taxes, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

	General	2008 SPLOST	E-911 Special Revenue Fund	Nonmajor Governmental Funds	Solid Waste	Total
Primary Government						
Taxes - property	$ 926,721	$ -	$ -	$ -	$ -	$ 926,721
Accounts	115,718	-	88,707	-	124,116	328,541
Interest	362	-	-	-	1,547	1,909
Intergovernmental	902,483	498,130	-	10,826	-	1,411,439
Gross receivables	**1,945,284**	**498,130**	**88,707**	**10,826**	**125,663**	**2,668,610**
Less: allowance for uncollectibles	(27,802)	-	-	-	-	(27,802)
Net total receivables	**1,917,482**	**498,130**	**88,707**	**10,826**	**125,663**	**2,640,808**
Component units						
Accounts	107	-	-	-	-	107
Note	1,107	-	-	-	-	1,107
Intergovernmental	101,457	-	-	-	-	101,457
Gross receivables	102,671	-	-	**-**	-	**102,671**
Less: allowance for uncollectibles	-	-	-	-	-	-
Net total net receivables	102,671	-	-	**-**	-	**102,671**
Total reporting entity	$ **2,020,153**	$ **498,130**	$ **88,707**	$ **10,826**	$ **125,663**	$ **2,743,479**

3-C Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 and were levied on August 11, 2011, by the Board of Commissioners. Tax bills were mailed August 13 and will be delinquent after December 1, 2011. Motor vehicle taxes are assessed and collected on the owner's birth date or by company name for business.

Property taxes include amounts levied against all real property, public utility property, tangible personal property and timber located in the County.

The State, through the Property Tax Division, has been given the statutory duty of reviewing county tax digests to determine if the digests meet the criteria mandated in statute case laws and regulation for level of assessment, uniformity and equalization.

State statutes establishes the procedure for the State to equalize county property tax digests between and within counties and compel county boards of tax assessors to make adjustments in property valuations so as to insure uniformity and equity.

As directed by the legislature, the State has adopted a three-year digest review cycle in which each county's tax digest is reviewed extensively to determine the level of assessment, uniformity and equalization in each property class. In any given year, one third of the county tax digests are subject to extensive statistical testing. Counties, which do not meet the criteria, set forth in the statute and regulations are allowed an opportunity during the three year cycle to correct any deficiencies by the next review year. The other counties that are not being extensively reviewed are examined for level of assessment to equalize the state levy and public utility assessments. The State approves any county's digest as being reasonably uniform and equalized if the digest meets certain standards.

For those digests submitted by counties in their digest review year, the State completes the review on or before August 1 of the following tax year or within 30 days of the date the ratio study results are provided by the State Auditor. Based upon this review, the State will approve any digest when it is found to be reasonably uniform and equalized by having met the following state established standards:

The average level of assessment for each class of property meets the state standards of 36% to 44%;

The average measure of overall equalization, the coefficient of dispersion, meets the state standard of 15% or less for residential properties and 20% or less for all other property classes.

The bias ratio, or statistical measure of price related differential, meets the state standard of 95% to 110%.

The State conditionally approves the digest and assesses a penalty of $5 per taxable parcel of real property if a county's review year digest contains the same or similar deficiencies as the previous review year digest. If the overall average assessment level does not meet state standards, the county is assessed additional state tax in the amount equal to the difference between the state's one-quarter of a mill that would have been produced if the digest had been at the proper assessment level and the amount the digest actually produces for collection purposes.

For those counties submitting their digest during a non-review year, digests are evaluated by the State based on the overall average assessment ratio deviation from the proper assessment ratio of 36% to 44%.

Beginning with the 2000 tax year digest reviews, in order to measure the compliance of each county in meeting state standards for digest approval, the State utilizes the information provided by the State Auditor from the sales ratio studies developed for each county. Each county's ratio study measures the statistical standards of level of assessment, uniformity and equalization.
The Georgia Code requires the State to annually propose assessments for public utility property and to insure that these properties are assessed at the same overall average assessment level as other property in the county. Each utility company is required to annually return their properties indicating location, description, type of property and valuation. The Revenue Commissioner's staff inspects these returns to insure the accuracy of each utility company's declarations. In the 1983 legislative session, a bill was passed establishing preferential assessment of tangible real property devoted to bona fide agricultural purposes. By statute, all real property is assessed at 40% of fair market value, however, the new legislation provided for a 30% level of assessment or 75% of the value at which other taxable real property is assessed.

In making application for preferential assessment, qualifying taxpayers must have signed a covenant (contract) agreeing to continuously maintain the property in agricultural pursuits for a period of 10 years.

In 1991, the Legislature embraced the "current use" valuation concept. This bill provided for the assessment for ad valorem tax purposes of certain qualifying properties based on current use value rather than fair market value. This is under an assessment program known as conservation use covenants.

Prior to 1992, timber was taxed annually as part of the tax digest. Along with Conservation Use Valuation, the amendment to the Georgia Constitution, which was approved by the electorate in 1991, also provided for a one-time assessment on harvested timber versus the annual taxation of timber as part of the value of real estate. Timber is now taxed once at its current value when harvested.

The County bills and collects its own real property taxes as well as the County School System and the State of Georgia. The County also collects its own personal property taxes as well as those of the County School System, the State of Georgia, and incorporated cities. Collection and remittance of taxes are accounted for in the Tax Commissioner Agency Fund.

3-D Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance 7/1/2011	Additions	Deductions	Balance 6/30/2012
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 3,115,756	$ -	$ -	$ 3,115,756
Construction in progress	-	746,793		746,793
Total capital assets not being depreciated	**3,115,756**	**746,793**	**-**	**3,862,549**
Depreciable capital assets:				
Land improvements	1,651,759	-	-	1,651,759
Buildings	20,260,901	324,565	-	20,585,466
Machinery and equipment	11,979,172	264,735	459,463	11,784,444
Infrastructure	31,694,641	925,330	-	32,619,971
Total depreciable capital assets	**65,586,473**	**1,514,630**	**459,463**	**66,641,640**
Total capital assets	**68,702,229**	**2,261,423**	**459,463**	**70,504,189**
Accumulated depreciation:				
Land improvements	1,072,201	65,560	-	1,137,761
Buildings	6,002,264	456,919	-	6,459,183
Machinery and equipment	8,111,802	656,976	453,135	8,315,643
Infrastructure	23,595,180	350,311	-	23,945,491
Total accumulated depreciation	**38,781,447**	**1,529,766**	**453,135**	**39,858,078**
Governmental activities capital assets, net	**$ 29,920,782**	**$ 731,657**	**$ 6,328**	**$ 30,646,111**

See Note 4-G

Governmental activities depreciation expense

General government	$ 157,822
Judical	51,904
Public safety	664,042
Public works	526,610
Health and welfare	39,513
Economic development	89,875
Total governmental activities depreciation expense	$ **1,529,766**

	Balance 7/1/2011	Additions	Deductions	Balance 6/30/2012
Business-type activities				
Capital assets not being depreciated:				
Land	$ 150,186	$ -	$ -	$ 150,186
Total capital assets not being depreciated	**150,186**	**-**	**-**	**150,186**
Depreciable capital assets:				
Land improvements	78,980	-	-	78,980
Landfill	4,692,921	-	-	4,692,921
Compactor	124,876	-	-	124,876
Dumpsters	9,187	-	-	9,187
Buildings	9,909	-	-	9,909
Other improvements	2,450	-	-	2,450
Machinery and equipment	200,390	-	-	200,390
Furniture and fixtures	3,431	-	-	3,431
Total depreciable capital assets	**5,122,144**	**-**	**-**	**5,122,144**
Total capital assets costs	**5,272,330**	**-**	**-**	**5,272,330**
Accumulated depreciation:				
Land Amortization	78,980	-	-	78,980
Landfill	4,685,796	573	-	4,686,369
Compactor	124,876	-	-	124,876
Dumpsters	9,187	-	-	9,187
Buildings	9,159	55	-	9,214
Other improvements	2,450	-	-	2,450
Machinery and equipment	138,129	11,675	-	149,804
Furniture and fixtures	3,431	-	-	3,431
Total accumulated depreciation	**5,052,008**	**12,303**	**-**	**5,064,311**
Business-type activities capital assets, net	**$ 220,322**	**$ (12,303)**	**$ -**	**$ 208,019**

3-E Interfund Balances and Transfers

Interfund balances at June 30, 2012, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year except for the general fund advance to the Emergency Telephone Fund in the amount of $611,562.

The following table reports interfund receivables and payables classified as such:

	Payable From		
Payable to	**General Fund**	**Non-Major Governmental Fund**	**Total**
General Fund	$ -	$ 653	$ 653
2008 SPLOST Fund	28,087	-	28,087
Non-major Governmental Funds	9,391	3,216	12,607
	$ 37,478	**$ 3,869**	**$ 41,347**

The following table reports the advances receivable and payable:

Payable to	**Payable from E-911 Special Revenue Fund**
General Fund	**$ 541,416**

Interfund transfers for the year ended June 30, 2012, consisted of the following:

	Transfers From:			
Transfer to	**General Fund**	**Non-major Governmental Funds**	**Solid Waste**	**Total**
General Fund	$ -	$ 40,000	$ 680,000	$ 720,000
E-911 Special Revenue Fund	213,068	-	-	213,068
Non-major Governmental Funds	-	10,424	-	10,424
	$ 213,068	**$ 50,424**	**$ 680,000**	**$ 943,492**

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

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

3-F Compensated Absences

Annual leave is earned at the rate of ten days per year after six months of service, for the first five years up to a maximum of 25 days per year after thirty years for the remainder of employment. There is no requirement that annual leave be taken; however, any leave in excess of 10 days not taken is forfeited. Upon termination, all employees are paid for all accumulated annual leave.

Sick leave is earned at the rate of eight hours for each month of service with accumulation subject to limits. Unused sick leave is paid with accumulation subject to a 60 day limitation upon termination of employment.

3-G Landfill Closure and Postclosure Care Cost

State and federal laws and regulations required the County to place a final cover on its Highway 278 landfill when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for a minimum of 5 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $392,626 reported as landfill postclosure cost liability at year-end represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill, net of related expenditures to date of $132,514. These amounts are based on what it would cost to perform all postclosure in 2011. The County stopped receiving waste in this landfill prior to April 9, 1994. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Effective January 8, 1999, EPD has accepted the County's closure procedures and the County expects that postclosure will not significantly exceed the 5 year minimum requirement.

State and federal laws and regulations require the County to place a final cover on its Grady Road landfill (Phase I and II, approximately 2,830,991 ton capacity, as last modified February18, 2010) when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $3,701,018 reported as landfill closure/postclosure cost liability at year-end represents the cumulative amount reported to date based on the use of 91% of the estimated capacity of the Phases I and II, net of related expenditures to date of $-0- and lessee closure contractual obligations of $3,701,018. The County will recognize the remaining estimated cost of closure and postclosure care of $357,469 net of the lessee closure contractual obligation of $357,469 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure in 2011. As described below, all closure/postclosure costs are a contractual obligation of the lessee, and therefore the County does not expect to incur any additional costs associated with the closure/postclosure of Phases I and II. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Closure and postclosure care financial assurance requirements will be met by lessee contractual commitments secured by a funded trust and bank letters of credit.

The County and contractor have obtained approval for certain minor modifications of the original D & O applicable to Phases I and II. In addition, other significant modifications will be presented to the State as related to the remaining 40 acres that are under an existing D & O plan. When these changes are approved, the closure and post-closure costs and amortization period will be modified accordingly.

On December 4, 2001, (finalized February 26, 2002) the County entered into a sanitary operation agreement with ETC of Georgia, Inc. (the Contractor) (assigned to Waste Connections, Inc.). The Agreement provides, among other things, that the Contractor will manage, operate, and maintain the Polk County Sanitary Landfill located at 316 Grady Road.

The Contractor is responsible for all closure/post-closure costs as mandated by federal and state authorities. A trust agreement requires that the Contractor make monthly payments to provide sufficient funds for the estimated costs. The Contractor paid the County the sum of one million and 00/100 ($1,000,000.00) dollars as an origination fee. Polk County will be charged a tipping fee of fourteen and 50/100 ($14.50) dollars per ton subject to consumer price index (CPI) increases beginning on the third (3rd) anniversary of the agreement. The County will also receive a “host” fee of four and 00/100 ($4.00) dollars per ton on tonnage up to 1,000 tons per day and two and 00/100 ($2.00) for all tonnage in excess of 1,000 tons per day up to and including 4,000

tons per day. If the cap of 4,000 tons per day is exceeded then the host fee will revert to four and 00/100 ($4.00) dollars per ton, on all garbage generated and collected outside of the geographical boundary of Polk County. The Contractor has guaranteed an annual amount of five hundred twenty thousand and 00/100 ($520,000.00) under this section. The Contractor will make an annual charitable donation of ten thousand ($10,000.00) dollars to the County for purposes of solid waste and recycling education in Polk County. Certain irrevocable bank letters of credit have been made a part of this agreement.

3-H Operating Leases

The government is committed under various leases for machinery and equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures and outstanding obligations for the year were not significant.

3-I Long-Term Debt

Installment Contract Obligation - On October 10, 2007, the County entered into an installment purchase agreement with Pitney Bowes, to acquire certain postage equipment. The installment sale has certain annual renewal termination agreements.

The following is a summary of the County's outstanding installment contractual obligation with Pitney Bowes:

Purpose	Interest Rate (%)	Interest Date	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding
Postage Machine	7.81	Qtrly	12/30/07	12/30/12	$ 24,642	$ 21,728	$ 2,914

Annual debt service requirements to amortize the installment obligation outstanding, as of June 30, 2012 follows:

Year	Principal	Interest	Total
2013	**$ 2,914**	**$ 86**	**$ 3,000**

Installment Contract Obligation - On September 16, 2011, the County entered in an installment purchase agreement with Delage Landen Financial Services, Inc., to acquire a Savin multi-purpose copier.

The following is a summary of the County's outstanding installment contractual obligation with the lessor:

Purpose	Interest Rate (%)	Interest Date	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding
Copier	13.1	Monthly	9/16/10	9/16/14	$ 7,426	$ 2,753	$ 4,673

Annual debt service requirements to amortize the installment obligation outstanding, as of June 30, 2012 follows:

Year	Principal	Interest	Total
2013	$ 1,907	$ 504	$ 2,411
2014	2,175	236	2,411
2015	591	13	604
Total	**$ 4,673**	**$ 753**	**$ 5,426**

General Government

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2012:

Governmental Activities	Outstanding 7/1/2011	Additions	Reductions	Outstanding 6/30/2012	Amounts Due in One Year
Installment contracts	$ 14,761	$ -	$ 7,174	$ 7,587	$ 4,821
Compensated absences	706,102	455,670	451,150	710,622	475,000
Total Governmental Activities	**$ 720,863**	**$ 455,670**	**$ 458,324**	**$ 718,209**	**$ 479,821**
Business-type Activities:					
Landfill closure and post-closure care costs	$ 924,163	$ -	$ -	$ 924,163	$ -
Total Business-type Activities	**$ 924,163**	**$ -**	**$ -**	**$ 924,163**	**$ -**
Discretely Presented Component Units					
Compensated absences	**$ 42,255**	**$ 4,878**	**$ 20,653**	**$ 26,480**	**$ -**

The compensated absences liability will be paid from the general fund and the E-911 special revenue fund. The capital lease obligations and installment contracts will be paid from the general fund and the 2003 SPLOST capital project fund.

The landfill closure and post-closure care costs and the business-type activity notes payable will be paid from the solid waste fund and the general fund.

3-J Short-Term Tax Anticipation Notes

No TAN borrowings in FY 2012.

3-K Pensions

Defined Contribution Plan

The County maintains a single employer sponsored money purchase retirement plan covering all full time employee hired after January 1, 2005. The ACCG 401(a) Deferred Contribution Plan for Employees of Polk County (the Plan) is a defined contribution plan established by the Board of Commissioners on February 1, 2005. A defined contribution plan provides retirement benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions and forfeitures of other participant's benefits that may be

allocated to such participant's account. As established by resolution of the Board of Commissioners, all employees who have been employed for one year are eligible to participate in the plan. Participants are fully vested after five years of service. There is partial vesting prior to the five year anniversary. A participant that leaves the employment of the County is entitled to their account balance, if vesting requirements are satisfied. The plan does not provide for participant contributions that are treated as employer pick-up contributions under Code Section 414(h). The Plan does not allow employee after-tax contributions. The County makes no basic contributions to the Plan. Investment options are selected by each Plan participant. Plan members do not make contributions to the plan, except as described below.

As part of the Plan, Polk County adopted a funding plan feature that gives certain 401(K) aspects to the defined contribution plan. Under the provision, the County will match contributions made by an employee to the County's Section 457 deferred compensation plan on a 1 for 2 basis up to a maximum contribution by the County of 3%. Therefore, an employee who contributes 6% to the 457 deferred compensation plan will receive an additional 3% contribution to this pension plan.

The County's contributions were calculated using the formula detailed above. Employees contributed $32,308 and the County made the required percent matching contributions of $12,493.

Defined Benefit Pension Plan

Plan Description - The County participates in the Association County Commissioners of Georgia ("ACCG") Third Restated Defined Benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The plan is administrated by GEB Corp. The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. 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 specific benefit provisions of the County's plan, as provided by Section 19.02 of the ACCG Plan document, were established by an adoption agreement executed by the Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met.

All full-time eligible employees participate in the ACCG Plan ("Plan") after completing three years of service. Benefits are fully vested after five years of service.

Participants become eligible to retire at the later of the date: 1) participant attains sixty-five years of age or, 2) the third anniversary of the first day of the Plan Year in which the Participant commenced participation in the Plan; 3) all participants are eligible for Normal retirement at age 70 even if they have not completed three years of Plan participation. Upon reaching normal retirement age, as defined above, participants are entitled to a monthly pension of 2% of average annual compensation multiplied by each year of credited service. Average annual compensation is the highest average of the Participant's compensation over three consecutive plan years during the ten plan years preceding the Participant's date of retirement or other termination. The Plan provides benefits in the event of death or disability. The Plan also provides for Early Retirement subject to certain early retirement reduction factors. If the participant has 30 years of service with the County or another adopting employer (at least 25 years must be with the county), there will not be an early retirement reduction in benefits.

Complete financial statements of the pension plan trust can be obtained from the plan administrator:

Government Employees Benefits Corporation of Georgia
1100 Circle 75 Parkway, Suite 300
Atlanta, Georgia 30339
Phone: (770) 952-5225

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

	2012	2011
Retirees and beneficiaries receiving benefits	23	16
Deferred vested (former employees)	118	109
Active employees participating in the Plan	181	184
Disabled in pay status	1	1
Total number of plan participants	**323**	**310**

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 must satisfy the minimum contribution requirement contained in the State of Georgia statutes.

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report.

Annual Pension Cost

The County annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

Derivation of Annual Pension Cost	**2012**	**2011**
Annual Required Contribution	$ 475,695	$ 515,919
Interest on Net Pension Obligation	(15,236)	(14,434)
Amortization of Net Pension Obligation	16,303	15,444
Annual Pension Cost	**$ 476,762**	**$ 516,929**
Derivation of Net Pension Obligation		
Net Pension Obligation as of January 1, 2010	$ **(186,240)**	$ **(165,401)**
Annual Pension Cost of Prior Year	516,929	541,101
Actual Contributions to Plan for Prior Year	527,286	561,940
Increase in Net Pension Obligation	(10,357)	(20,839)
Net Pension Obligation as of Beginning of Year	**$ (196,597)**	**$ (186,240)**

Summary of Significant Accounting Policies
The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and incremental changes in the cash value of pre-retirement life insurance policies owned by the trust.

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

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

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

Contributions

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The Plan does not provide for contributions by plan participants. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans. The annual County contribution meets or exceeds the minimum funding requirements of the Georgia Code. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. The annual County contribution to the Plan is determined using the actuarial basis described in the annual valuation report.

The Georgia Constitution enables the governing authority of the County, the County Commissioner, to establish and amend from time to time, the contribution rates for the County.

Plan Funded Status – The County's funding status based upon the most recent actuarial valuation follows:

Measurement Date	(1)* Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/UAAL (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
12/31/2011	$ 10,499,681	$ 11,236,340	93.4%	$ 736,659	$ 5,383,922	13.7%

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Current Valuation Date:	January 1, 2012
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.0%-6.5% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (closed)
Remaining Amortization Periods	10

Three Year Trend Information

Fiscal Year Beginning	Annual Pension Cost(APC)(1)	Actual County Contributions (1)	Percentage of APC Contributed	Net Pension Obligation
1/1/2013	$ 476,762	$ N/A	$ N/A	(196,597)
1/1/2012	516,929	527,286	102%	$ (196,597)
1/1/2011	541,101	561,940	104%	(186,240)
1/1/2010	654,950	705,013	108%	(165,401)

(1) Prior calendar year

Financial Statements for the Year Ended December 31, 2011

1. Statement of Plan Net Assets as of December 31, 2011

Market value of assets	$	10,161,017
Receivable		
Employer contributions		-
Employee contributions		-
Due from Insurance Pool		-
Liabilities		
Administrative expenses		28,228
Accrued investment and auditing fee		263
Insurance Premium Payable		-
Net assets held in trust for pension benefits	**$**	**10,132,526**

2. Statement of Changes in Plan Net Assets

Additions		
Asset transfer	$	-
Employee contributions		-
Employer contributions		527,286
Net investment income (loss)		111,179
Recovery of life insurance premiums		-
Total additions (deductions)		**638,465**
Deductions		
Benefit payments		176,668
Administrative expenses		27,475
Post-retirement death benefit expense		-
Pre-retirement death benefit expense		13,527
Total deductions		**217,670**
Net increase (decreace) in plan assets		**420,795**
Net assets held in trust for pension benefits:		
Beginning of year		**9,740,222**
End of year	**$**	**10,161,017**

Change in Pension Plan – At June 30, 2005 the County converted its general employee retirement plan to the Association County Commissioners of Georgia ("ACCG") Defined Benefit Plan, an agent multiple pension plan. Retirees currently receiving benefits received an annuity from Principle Insurance (the previous administrator) based on the contractual retirement obligation. The remaining funds were transferred to the Association County Commissioners of Georgia ("ACCG") Defined Benefit Plan.

3-L Other Post employment Benefits (OPEB)

The County administers a single-employer defined benefit health care plan, the "The Healthcare Plan of Polk County."

Plan Description and Funding Policy – The County Board of Commissioners authorizes participation in the OPEB and sets the contribution rates and benefits. Coverage under the plan includes medical and prescription drug for retirees and dependents

Benefits - Retirees who meet the following requirement are eligible to continue health insurance coverage:

> The retiree has twenty (20) or more years of full time service and is at least sixty (60) years of age. Employees attaining Full Retirement Status, and only such employees, shall have the right to carry and retain insurance coverage at employee-portion rates into retirement

Retirees may stay on the plan for their lifetime by making the required contribution.

Dependents may participate for the lifetime of the retiree as long as the retiree pays the required contribution for dependent coverage. As of 1/1/2010, the contributions are as follows based on the 3 health plans:

Plan Name	Employee Only Contribution
POS 5002 SX	$63.31 per month
HMO 6502 SX (LOW)	$36.88 per month
HMO 6200 SX (HIGH)	$49.14 per month

Annual OPEB Cost and Net OPEB Obligation – The following table includes the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the County" net OPEB obligation:

	June 30, 2012	June 30, 2011
Normal cost	$ 597,943	$ 703,462
Amortization of unfunded actuarial accrued liability (UAAL)	283,372	333,379
Required contribution (ARC)	881,315	1,036,841
Interest on OPEB obligation	98,709	57,134
Adjustment to ARC	(93,774)	(54,580)
Annual OPEB cost	886,250	1,039,395
Contributions made	-	-
Increase in net OPEB obligation	886,250	1,039,395
Net OPEB obligation, beginning of year	2,467,734	1,428,339
Net OPEB obligation, end of year	$ 3,353,984	$ 2,467,734

Three Year Trend Information

Fiscal Year	Annual OPEB Cost	Actual County Contributions	Percentage of OPEB Contributed	Net OPEB Obligation
6/30/12	$ 886,250	$ -	0%	$ 3,353,984
6/30/11	1,039,395	-	0%	2,467,734
6/30/10	682,497	-	0%	1,428,339

Funded Status and Funding Progress – The County's funding status based upon the most recent actuarial valuation follows:

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL/uaal (2)-(1)	Annual Covered Payroll	Percentage of Covered Payroll
1/1/2011	$ -	$ 8,724,354	0.0%	$ 8,724,354	$ 7,419,833	117.6%

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The County's actuarial valuation information is as follows:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Pay, Open
Amortization Period	30 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment rate of return	4%
Healthcare Cost Trend Rate	10.50% to 5%
Year of Ultimate Trend Rate	2016
Inflation Rate	3%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Other Retirement Plans - In addition to the general group pension plan, the following pensions are in effect but are not under the direct control of the County:

Agricultural Extension Supplemental Teachers Retirement Fund
Probate Judges' Retirement Fund of Georgia
Clerk of Superior Court Retirement Fund
Sheriffs' Retirement Fund/Peace Officers' Annuity and Benefit Fund

These plans require that certain preferential payments be made to various trustees as prescribed by state statutes.

Deferred Compensation Plan - The County offers its employees an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all County employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the participant or other beneficiary) solely the property and rights of a trust created by the County for the benefit of the participants.

3-M Property Held for Leasing

Property held for leasing consists of land and building leased under operating leases to a commercial enterprise and agencies of the State of Georgia. Lease terms vary from one to ten years and require, in some cases, the construction of leasehold improvements that will be contributed to the County at lease termination

The following is a schedule by year of minimum future rentals on cancelable operating leases as of June 30, 2012

Year Ending June 30,	DFACS Building
2013	239,790
2014	239,790
2015	239,790
2016	239,790
2017	239,790
2018-2026	2,158,110
Total	**$ 3,357,060**

3-N Net Assets

Net assets on the government-wide statement of net assets as of June 30, 2012 are as follows:

Investments in capital assets, net of related debt:		
Cost of capital assets	$ 70,504,189	$ 5,272,331
Less accumulated depreciation	39,858,078	5,064,312
Book value	30,646,111	208,019
Less capital related debt	7,587	-
Investments in capital assets, net of related debt	30,638,524	208,019
Restricted assets	6,208,285	-
Unrestricted assets	3,762,469	3,359,874
Net assets	**$ 40,609,278**	**$ 3,567,893**

Note 4 - Other Notes

4-A Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The State Constitution provides that the County (a political subdivision) may be immune from liability for most forms of bodily injury and property damage arising out of its operations, if such losses are not insured. It is the policy of the County to utilize immunity as a legal defense against liability claims whenever the risk of loss is not insured and immunity may be asserted.

The County previously offered to all eligible employees' medical insurance coverage through a self-insurance plan. The self-insured plan was administered by an outside agency which reported the claims costs to the County. The County had reinsurance coverage for excess claims. The County paid for all claims up to the maximum claims liability, and the insurer pays for all claims in excess of the maximum claims liability. The County also has individual stop-loss protection against large claims. The contract was based on a 12/15 run out formula. The insurer agreement also has a maximum contractual obligation in the event of termination for the incurred but not reported claims. Effective July 1, 2003, the County obtained commercial insurance for the medical claims of employees and is no longer self-insured for those purposes.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the County has elected to participate with several other Georgia counties in the risk management program known as Association County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund ("ACCG-GSIWCF"). ACCG-GSIWCF is a public entity risk pool operating as a common risk management and insurance program. The effective date of membership was January 1, 1993. The liability of the fund to the employees of the County is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

The fund is to defend, in the name of and on behalf of the County, any suits or other proceedings which may at any time be instituted against the County on account of injuries or death within the parameters of the workers' compensation law of the State of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding damages or compensation therefore, although such suits, other proceedings, allegations or demands are wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against the County in any legal proceeding defended by the County, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense of claims and expenses for each occurrence of workers' compensation injuries. Excess insurance is purchased by the ACCG-GSIWCF to protect the fund from catastrophic losses and for any unexpected frequency of smaller claims.

The County has elected to participate with several other Georgia counties in the risk management program known as ACCG-Interlocal Risk Management Agency ("ACCG-IRMA"). ACCG-IRMA is a public entity risk pool operating as a common risk management and insurance program, whereby the members join together to provide a source of coverage for their property, automobile, general liability, law enforcement liability, public officials' liability, crime, statutory bond and boiler and machinery exposures. The fund is owned by its members and managed by a seven member Board of Trustees elected by the ACCG Board of Managers from member counties. The Fund is operated under the authority of O.C.G.A. 36-85-20 et seq. ACCG-IRMA estimates the anticipated losses for its members and self-funds a portion of that exposure. The funds which are allocated for anticipated losses are invested until such time that they are needed to pay claims. ACCG-IRMA purchases appropriate re-insurance to provide for catastrophic losses and for an unanticipated frequency of smaller claims. Nothing contained in the ACGG-IRMA intergovernmental contract shall be deemed to create any relationship of surety, indemnification, or responsibility between an individual Member for the debts or claims against

any other individual Member. In accordance with Sections 36-85-9 and 36-85-15 of the Official Code of Georgia Annotated, each Member shall be jointly and severally liable for all legal obligations of any fund and assessments may be required to meet any financial deficiencies of ACCG-IRMA or of any Fund. The effective date of membership was February 29, 1996.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents that could require the fund to pay any type of loss. The County is also to allow all the pool's agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claims made against the County within the scope of loss protection furnished by the funds.

The County previously accounted for the financial operations of its self-insurance medical program in an internal service fund. A liability for claims has been reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. A third party administrator is employed to review and process claims for the self-insurance medical program. Liabilities that are expected to be paid from expendable available financial resources are recorded as a current payable of the internal service fund. No claims were payable from the fund at year end. All claims were payable for the fully insured plan.

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

4-B Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County was a defendant in several lawsuits at June 30, 2012. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

4-C Jointly Governed Organizations

The County assists with the operations of the Polk County Library System through annual funding requests. The Polk County Library System is a member of the Sara Hightower Regional Library System (Library).

The Library Board consists of sixteen members, eleven members appointed by the Floyd County Library Board, and five members appointed by the Polk County Library Board. The Board is without authority to determine the amount of its funding, except by submission of budget requests to local governmental units from which that library receives support and to the State of Georgia for state and federal funding. Membership in the library and participation in library services is at the discretion of each participating governmental agency. The Board has the power to designate management, the power to retain unreserved fund balances of local funds for continued operations and is the lowest level of oversight responsibility for the Library's operations. No single governmental agency has oversight responsibility or managerial control over the Library nor is any of the participating governments responsible for funding a deficit of the Library. Accordingly, the Library's financial statements are not included in the financial statements of any other reporting entity.

Complete financial statements of the Library System can be obtained directly from their administrative office. Address for the administrative office is as follows:

Sara Hightower Regional Library
245 East Avenue
Cedartown, Georgia 30125

4-D Joint Ventures

Polk County, in conjunction with cities and counties in the ten (15) county Northwest Georgia area are members of the Northwest Georgia Regional Commission (RC). Membership in the RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989 ("the Act")) provides for the organizational structure of the RC's. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The County paid $27,433 in fiscal year 2012. The RC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a County. The Act defines RC's as "public agencies" and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. (O.C.G.A. 50-8-39)

A copy of the RDC's financial statements can be obtained from:

Northeast Georgia Regional Commission
(Formerly) Coosa Valley Regional Development Center
1 Jackson Hill Drive
P. O. Box 1793
Rome Georgia 30162
Phone: (706) 295-6485 Fax (706) 295-6665

4-E Landfill Operations

On December 4, 2001, (finalized February 26, 2002) the County entered into a sanitary operation agreement with ETC of Georgia, Inc. (the Contractor). The agreement provides, among other things, that the Contractor will manage, operate, and maintain the Polk County Sanitary Landfill located at 316 Grady Road. The Contractor is responsible for all closure/post-closure costs as mandated by federal and state authorities. A trust agreement requires that the Contractor make monthly payments to provide sufficient funds for the estimated costs of postclosure. The Contractor paid the County $1,000,000 as an origination fee. The County was charged an initial tipping fee of fourteen and 50/100 ($14.50) dollars per ton subject to consumer price index (CPI) increases beginning on the third (3rd) anniversary of the agreement. The current rate is 17.04 per ton, which does not include a variable oil/energy surcharge.

The County also receives a "host" fee of four dollars per ton on the first 1,000 tons per day and two dollars per ton on the excess for all garbage generated and collected outside of the geographical boundary of the County. The Contractor has guaranteed an annual amount of $520,000 under this section. The Contractor is required to make an annual charitable donation of $10,000 to the County for purposes of solid waste and recycling education in the County. Certain irrevocable bank letters of credit have been made a part of this agreement for closure costs.

4-F EMS Agreement

Effective July 1, 2009, Polk County entered into a partnership agreement with Redmond Regional Medical Center ("Redmond") whereby Redmond began operating Advanced Life Support Emergency Medical Services for all of Polk County under Polk County's name and state license, and, as part of that contractual agreement, assets of Polk Emergency Medical Service were transferred to Redmond. Such assets included four equipped ambulances, and in exchange for those assets Redmond paid $269,400 to Polk County and agreed to make its best effort to collect the outstanding accounts receivables due at June 30, 2009 and remit the funds to the County.

4-G Prior Period Adjustments

At June 30, 2011, a receivable from the State of Georgia was recorded as General Fund revenue but it should have been recorded in the 2008 SPLOST Capital Project Fund. During the year, an adjustment was made to correct this error in the accompanying financial statements. There is no net change to the governmental fund balances or net assets for the government-wide statements.

June 30, 2011	2008 SPLOST Capital Project Fund	General Fund
Fund Balances as previously reported	$ 4,193,784	$ 7,079,736
Record due State in the correct fund	28,086	(28,086)
Fund Balances as restated	$ 4,221,870	$ 7,051,650

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	$ 13,985,084	$ 14,413,500	$ 14,507,290	$ 93,790
Licenses and permits	75,300	75,600	75,037	(563)
Intergovernmental	921,200	580,200	582,193	1,993
Charges for services	835,000	836,300	864,876	28,576
Courts and law enforcement	901,100	916,900	926,101	9,201
Investment earnings and rents	185,000	416,000	422,707	6,707
Miscellaneous	166,880	260,100	287,042	26,942
Total Revenues	17,069,564	17,498,600	17,665,246	166,646
Expenditures				
Current:				
General government	3,644,046	3,027,159	2,926,306	100,853
Judicial	2,354,824	2,415,301	2,390,195	25,106
Public safety	7,685,478	8,269,739	8,241,517	28,222
Public works	2,684,987	2,275,000	2,263,266	11,734
Health and welfare	309,663	309,663	309,663	-
Culture and recreation	218,919	218,919	218,894	25
Planning and community development	1,156,859	1,021,720	995,284	26,436
Sanitation	575,831	552,000	547,694	4,306
Debt Service:				
Principal retirement	13,000	13,000	8,308	4,692
Interest and fiscal charges	1,500	1,500	1,237	263
Total Expenditures	18,645,107	18,104,001	17,902,364	201,637
(Deficiency) of Revenues (Under) Expenditures	(1,575,543)	(605,401)	(237,118)	368,283
Other Financing Sources (Uses)				
Capital leases	-	-	-	-
Sale of capital assets	40,000	90,000	89,818	(182)
Transfers in	1,265,000	746,400	720,000	(26,400)
Transfers out	(213,068)	(256,000)	(213,068)	42,932
Total Other Financing Sources (Uses)	1,091,932	580,400	596,750	16,350
Net Change in Fund Balance	$ (483,611)	$ (25,001)	359,632	$ 384,633
Fund Balances Beginning of Year			7,051,650	
Fund Balances End of Year			$ 7,411,282	

Polk County, Georgia
Emergency Telephone Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Charges for services	$ 670,000	$ 695,000	$ 600,886	$ (94,114)	$ 637,990
Interest on investments	50	-	-	-	-
Miscellaneous	813	2,000	2,248	248	595
Total Revenues	670,863	697,000	603,134	(93,866)	638,585
Expenditures					
Current					
Public safety	857,715	953,000	951,110	1,890	895,016
Debt Service:					
Principal retirement	-	-	-	-	64,849
Interest and fiscal charges	-	-	-	-	2,680
Total Expenditures	857,715	953,000	951,110	1,890	962,545
Excess (Deficiency) of Revenues Over (Under) Expenditures	(186,852)	(256,000)	(347,976)	(91,976)	(323,960)
Other Financing Sources (Uses)					
Transfers in	213,068	256,000	213,068	(42,932)	327,902
Net Change in Fund Balances	$ 26,216	$ -	(134,908)	$ (134,908)	3,942
Fund Balances (Deficits) Beginning of Year			(493,651)		(497,593)
Fund Balances (Deficits) End of Year			$ (628,559)		$ (493,651)

Polk County, Georgia
Schedule of Funding Progress
June 30, 2012

Employee Pension Trust Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL As a Percentage of Covered payroll (2)-(1)/5
12-31-05	$ 5,391,527	$ 6,545,677	$ 1,154,150	82.4%	$ 6,273,310	18.4%
12-31-06	6,274,118	7,067,932	793,814	88.8%	6,509,500	12.2%
12-31-07	7,472,378	7,946,726	474,348	94.0%	6,161,927	7.7%
12-31-08	7,758,090 *	8,887,426	1,129,336	87.3%	5,480,862	20.6%
12-31-09	8,781,918 *	10,372,460	1,590,542	84.7%	6,038,402	26.3%
12-31-10	9,696,284	10,588,084	891,800	91.6%	5,216,631	17.1%
12-31-11	10,499,681	11,236,340	736,659	93.4%	5,383,922	13.7%

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally the greater this percentage, the stronger the Plan.

Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

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

OPEB

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL As a Percentage of Covered payroll (2)-(1)/5
1/1/2009	$ -	$ 6,048,910	$ 6,048,910	0.0%	$ 6,852,049	88.3%
1/1/2011	-	8,724,354	8,724,354	0.0%	7,419,833	117.6%

Polk County, Georgia
Employee Pension Trust Fund
Schedule of Employer Contributions
June 30, 2012

Fiscal Year Beginning January 1	Annual Required Contribution	Actual Contribution	Employer Contributions as a Percent Covered
2005	$ 596,873	$ 637,052	106.7%
2006	594,009	626,989	105.6%
2007	570,898	597,246	104.6%
2008	519,613	535,621	103.1%
2009	654,325	705,013	107.7%
2010	541,101	561,940	103.9%
2011	516,929	527,286	102.0%
2012	476,762	N/A	0.0%

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SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Polk County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	Restated 2011
Assets		
Cash and cash equivalents	$ 6,950,510	$ 6,239,672
Receivables		
Accounts	115,718	100,800
Taxes	898,919	800,367
Intergovernmental	902,483	1,044,856
Interest	362	1,768
Interfund	653	737
Advances	541,416	611,562
Inventory	5,261	11,759
Prepaid items	410,749	454,535
Total Assets	$ 9,826,071	$ 9,266,056
Liabilities and Fund Balances		
Liabilities		
Accounts and contracts payable	$ 983,068	$ 1,049,984
Accrued expenditures	524,616	410,920
Interfund payable	37,478	6,301
Intergovernmental payable	12,554	6,101
Deferred revenues	857,073	741,100
Total Liabilities	2,414,789	2,214,406
Fund Balance		
Nonspendable:		
Prepaid items	410,749	454,535
Inventory	5,261	11,759
Advances to other funds	541,416	611,562
Unassigned	6,453,856	5,973,794
Total Fund Balances	7,411,282	7,051,650
Total Liabilities and Fund Balances	$ 9,826,071	$ 9,266,056

Polk County, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2012 and 2011

	2012	Restated 2011
Revenues		
Taxes	$ 14,507,290	$ 14,811,777
Licenses and permits	75,037	78,044
Intergovernmental	582,193	498,871
Charges for services	864,876	891,336
Courts and law enforcement	926,101	977,554
Investment earnings and rents	422,707	456,309
Other	287,042	243,016
Total Revenues	17,665,246	17,956,907
Expenditures		
Current		
General government	2,926,306	3,015,739
Judicial	2,390,195	2,282,263
Public safety	8,241,517	7,695,754
Public works	2,263,266	2,209,597
Planning/Community development	995,284	809,722
Health and welfare	309,663	309,663
Culture and recreation	218,894	217,919
Sanitation	547,694	524,724
Debt Service		
Principal	8,308	6,173
Interest	1,237	1,636
Total Expenditures	17,902,364	17,073,190
(Deficiency) of Revenues (Under) Expenditures	(237,118)	883,717
Other Financing Sources (Uses)		
Capital leases	-	7,426
Sale of capital assets	89,818	47,321
Transfers in	720,000	600,517
Transfers out	(213,068)	(327,902)
Total Other Financing Sources (Uses)	596,750	327,362
Net Change in Fund Balances	359,632	1,211,079
Fund Balances Beginning of Year - Restated	7,051,650	5,840,571
Fund Balances End of Year	$ 7,411,282	$ 7,051,650

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				Restated 2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes					
General property tax	$ 8,910,384	$ 8,871,300	$ 8,916,949	$ 45,649	$ 9,361,324
Auto ad valorem and mobile home tax	998,700	1,077,700	1,078,500	800	1,056,857
Cost, penalties and interest	173,000	250,000	250,811	811	207,934
Intangible tax	95,000	77,000	78,234	1,234	91,407
Real estate transfer tax	16,000	17,500	17,526	26	17,785
Railroad equipment tax	27,000	25,000	25,974	974	27,352
Alcoholic beverage tax	115,000	118,000	118,910	910	126,459
Business license and franchise fees	185,000	185,000	186,104	1,104	191,982
Insurance premium tax	1,120,000	1,090,000	1,129,397	39,397	1,094,070
Local option sales tax	2,345,000	2,702,000	2,704,885	2,885	2,636,607
Total Taxes	13,985,084	14,413,500	14,507,290	93,790	14,811,777
Licenses and Permits	75,300	75,600	75,037	(563)	78,044
Intergovernmental					
Federal government	-	35,000	38,978	3,978	36,587
State of Georgia	915,000	500,000	497,804	(2,196)	433,753
Local governments	6,200	45,200	45,411	211	28,531
Total Intergovernmental	921,200	580,200	582,193	1,993	498,871
Charges for Services					
Tax Commissioner	423,000	438,500	442,179	3,679	438,401
Emergency medical service	-	-	4,147	4,147	20,038
Animal control	12,000	7,800	7,821	21	9,260
Prisoner housing fees	400,000	390,000	410,729	20,729	423,637
Total Charges for Services	835,000	836,300	864,876	28,576	891,336
Courts and Law Enforcement					
Clerk of Superior Court	305,000	305,000	302,063	(2,937)	305,678
Probate Court	385,000	367,000	390,668	23,668	451,344
Juvenile Court	3,000	1,800	1,747	(53)	3,235
Magistrate Court	170,000	192,000	194,394	2,394	182,783
County ordinance	38,000	50,000	37,159	(12,841)	34,514
Bond forfeitures	100	1,100	70	(1,030)	-
Total Courts and Law Enforcement	901,100	916,900	926,101	9,201	977,554
Investment Earnings and Rents	185,000	416,000	422,707	6,707	456,309
Miscellaneous	166,880	260,100	287,042	26,942	243,016
Total Revenues	17,069,564	17,498,600	17,665,246	166,646	17,956,907

(continued)

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

(continued)

	2012				Restated 2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Expenditures					
Current					
General Government					
Administration	$ 1,520,973	936,549	$ 876,430	$ 60,119	$ 869,138
Information system	190,602	178,000	172,970	5,030	191,594
Tax Assessor	564,494	540,000	521,850	18,150	543,116
Tax Commissioner	485,593	492,000	488,262	3,738	486,818
Public buildings	661,500	640,000	628,879	11,121	680,317
General appropriations	21,610	20,610	19,724	886	15,257
Election and registrar	199,274	220,000	218,191	1,809	229,499
Total General Government	3,644,046	3,027,159	2,926,306	100,853	3,015,739
Judicial					
Superior Court	235,365	242,000	239,121	2,879	250,898
District Attorney	125,262	129,000	126,368	2,632	119,169
Clerk of Superior Court	601,103	606,000	603,338	2,662	556,077
Magistrate Court	381,678	385,000	383,983	1,017	375,053
Probate Court	360,238	382,000	380,443	1,557	366,772
Juvenile Court	286,571	311,501	309,090	2,411	289,895
Probation	81,810	81,000	78,313	2,687	70,606
Public Defender	239,497	235,000	228,918	6,082	211,257
Coroner	43,300	43,800	40,621	3,179	42,536
Total Judicial	2,354,824	2,415,301	2,390,195	25,106	2,282,263
Public safety					
County Police	2,237,887	2,250,000	2,247,016	2,984	2,148,821
Drug Task Force	253,921	267,000	264,958	2,042	264,003
Sheriff	4,079,193	4,487,704	4,482,590	5,114	4,267,046
Jail	500,000	395,000	384,409	10,591	448,722
Emergency Management Agency	93,739	121,000	117,700	3,300	38,153
Fire department	236,173	460,000	457,756	2,244	246,047
Animal control	270,530	275,000	273,053	1,947	268,927
Forestry Service	14,035	14,035	14,035	-	14,035
Total Public Safety	7,685,478	8,269,739	8,241,517	28,222	7,695,754
Public Works	2,684,987	2,275,000	2,263,266	11,734	2,209,597
Planning/Community Development					
Planning and zoning	53,297	50,000	48,098	1,902	-
Permits and inspections	155,142	176,000	173,313	2,687	206,408
Development authority	262,773	262,773	262,773	-	257,773
Keep Polk Beautiful	14,070	14,070	14,070	-	15,290
Northwest Georgia Regional Commission	29,500	29,500	27,526	1,974	27,542
Cooperative Extension Service	59,377	59,377	48,333	11,044	46,158
Airport	582,700	430,000	421,171	8,829	256,551
Total Planning/Community Development	1,156,859	1,021,720	995,284	26,436	809,722

(continued)

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

(continued)

	2012				Restated 2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Expenditures					
Current					
Sanitation	$ 575,831	$ 552,000	$ 547,694	$ 4,306	$ 524,724
Culture and Recreation					
Library	117,919	117,919	117,919	-	117,919
Recreation	101,000	101,000	100,975	25	100,000
Total Culture and Recreation	218,919	218,919	218,894	25	217,919
Health and Welfare					
General Health	197,955	197,955	197,955	-	197,955
Mental health	40,000	40,000	40,000	-	40,000
Family and Children Services	71,708	71,708	71,708	-	71,708
Total Health and Welfare	309,663	309,663	309,663	-	309,663
Debt Service					
Principal retirement	13,000	13,000	8,308	4,692	6,173
Interest and fiscal charges	1,500	1,500	1,237	263	1,636
Total Debt Service	14,500	14,500	9,545	4,955	7,809
Total Expenditures	18,645,107	18,104,001	17,902,364	201,637	17,073,190
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,575,543)	(605,401)	(237,118)	368,283	883,717
Other Financing Sources (Uses)					
Capital leases	-	-	-	-	7,426
Sale of capital assets	40,000	90,000	89,818	(182)	47,321
Transfers in	1,265,000	746,400	720,000	(26,400)	600,517
Transfers out	(213,068)	(256,000)	(213,068)	42,932	(327,902)
Total Other Financing Sources (Uses)	1,091,932	580,400	596,750	16,350	327,362
Net Change in Fund Balances	$ (483,611)	$ (25,001)	359,632	$ 384,633	1,211,079
Fund Balances Beginning of Year			7,051,650		5,840,571
Fund Balances End of Year			$ 7,411,282		$ 7,051,650

Polk County, Georgia
Combining Balance Sheet - By Fund Type
Nonmajor Governmental Funds
June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 708,085	$ 52	$ 708,137
Receivables:			
Intergovernmental	8,944	1,882	10,826
Interfund	12,607	-	12,607
Total Assets	$ 729,636	$ 1,934	$ 731,570
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 11,380	$ -	$ 11,380
Intergovernmental	-	-	-
Interfund payable	3,869	-	3,869
Total Liabilities	15,249	-	15,249
Fund balances			
Restricted for			
Capital projects	-	1,934	1,934
Program purposes	712,628	-	712,628
Assigned	1,759	-	1,759
Total Fund Balances	714,387	1,934	716,321
Total Liabilities and Fund Balances	$ 729,636	$ 1,934	$ 731,570

Polk County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - by Fund Type

Nonmajor Governmental Funds

For the Year Ended June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Charges for services	$ 20,197	$ -	$ 20,197
Fines and forfeitures	193,288	-	193,288
Intergovernmental	-	-	-
Investment earnings	355	89	444
Miscellaneous	5,756	-	5,756
Total Revenues	219,596	89	219,685
Expenditures			
Current			
Judicial	79,402	-	79,402
Public safety	113,413	-	113,413
Public works	-	428,758	428,758
Intergovernmental	-	3,328	3,328
Debt Service			
Principal	-	-	-
Interest and fees	-	-	-
Total Expenditures	192,815	432,086	624,901
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,781	(431,997)	(405,216)
Other Financing Sources (Uses)			
Transfers in	10,424	-	10,424
Transfers out	(50,424)	-	(50,424)
Total Other Financing Sources (Uses)	(40,000)	-	(40,000)
Net Change in Fund Balances	(13,219)	(431,997)	(445,216)
Fund Balances Beginning of Year	727,606	433,931	1,161,537
Fund Balances End of Year	$ 714,387	$ 1,934	$ 716,321

Polk County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Law Library	Crime Victim Assistance	Drug Abuse Treatment and Education	Law Enforcement Confiscated Monies County Police	Law Enforcement Confiscated Monies Sheriff	County Jail	District Attorney	Juvenile Probation	Clerk of Superior Court Special Fee	Sheriff Other Programs	Total Nonmajor Special Revenue Funds
Assets											
Cash and cash equivalents	$ 68,364	$ 2,070	$ 5,883	$ 115,884	$ 15,954	$ 201,180	$ 128,094	$ 108,186	$ 60,711	$ 1,759	$ 708,085
Receivables											
Intergovernmental	-	6,599	-	-	-	-	-	-	2,345	-	8,944
Interfund	1,030	4,194	242	-	-	3,225	3,216	700	-	-	12,607
Total Assets	$ 69,394	$ 12,863	$ 6,125	$ 115,884	$ 15,954	$ 204,405	$ 131,310	$ 108,886	$ 63,056	$ 1,759	$ 729,636
Liabilities and Fund Balances											
Liabilities											
Accounts payable	$ -	$ 9,647	$ 973	$ -	$ -	$ -	$ -	$ 760	$ -	$ -	$ 11,380
Interfund payable	-	3,216		653	-	-	-	-	-	-	3,869
Intergovernmental payable	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	12,863	973	653	-	-	-	760	-	-	15,249
Fund Balances											
Restricted for:											
Public Safety	-	-	-	-	-	204,405	131,310	-	-	-	335,715
Program purposes	69,394	-	5,152	115,231	15,954	-	-	108,126	63,056	-	376,913
Assigned	-	-	-	-	-	-	-	-	-	1,759	1,759
Total Fund Balances	69,394	-	5,152	115,231	15,954	204,405	131,310	108,126	63,056	1,759	714,387
Total Liabilities and Fund Balances	$ 69,394	$ 12,863	$ 6,125	$ 115,884	$ 15,954	$ 204,405	$ 131,310	$ 108,886	$ 63,056	$ 1,759	$ 729,636

Polk County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

June 30, 2012

	Law Library	Crime Victim Assistance	Drug Abuse Treatment and Education	Law Enforcement Confiscated Monies County Police	Law Enforcement Confiscated Monies Sheriff	County Jail	District Attorney	Juvenile Probation	Clerk of Superior Court Special Fee	Sheriff Other Programs	Total Nonmajor Special Revenue Funds
Revenues											
Charges for services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,197	$ -	$ 20,197
Fines and forfeitures	17,642	41,695	16,914	49,324	11,006	46,906	7,581	2,220	-	-	193,288
Investment earnings and rents	25	-	3	46	7	219	-	55	-	-	355
Miscellaneous	-	-	-	-	-	-	-	-	-	5,756	5,756
Total Revenues	17,667	41,695	16,917	49,370	11,013	47,125	7,581	2,275	20,197	5,756	219,596
Expenditures											
Current:											
Judicial	13,893	-	-	-	-	-	58,577	2,594	4,338	-	79,402
Public safety	-	31,271	16,914	33,648	13,377	11,249	-	-	-	6,954	113,413
Total Expenditures	13,893	31,271	16,914	33,648	13,377	11,249	58,577	2,594	4,338	6,954	192,815
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,774	10,424	3	15,722	(2,364)	35,876	(50,996)	(319)	15,859	(1,198)	26,781
Other Financing Sources (Uses)											
Transfers in	-	-	-	-	-	-	10,424	-	-	-	10,424
Transfers out	-	(10,424)	-	-	-	(40,000)	-	-	-	-	(50,424)
Total Other Financing Sources (Uses)	-	(10,424)	-	-	-	(40,000)	10,424	-	-	-	(40,000)
Net Change in Fund Balances	3,774	-	3	15,722	(2,364)	(4,124)	(40,572)	(319)	15,859	(1,198)	(13,219)
Fund Balances Beginning of Year	65,620	-	5,149	99,509	18,318	208,529	171,882	108,445	47,197	2,957	727,606
Fund Balances End of Year	$ 69,394	$ -	$ 5,152	$ 115,231	$ 15,954	$ 204,405	$ 131,310	$ 108,126	$ 63,056	$ 1,759	$ 714,387

Polk County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 68,364	$ 64,715
Interfund receivable	1,030	1,253
Total Assets	$ 69,394	$ 65,968
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 348
Total Liabilities	-	348
Fund Balances		
Restricted	69,394	65,620
Total Liabilities and Fund Balances	$ 69,394	$ 65,968

Polk County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ -	$ -	$ 17,642	$ 17,642	$ 19,221
Investment earnings	24,635	21,300	25	(21,275)	72
Total Revenues	24,635	21,300	17,667	(3,633)	19,293
Expenditures					
Current					
Judicial	24,635	21,300	13,893	7,407	20,794
Excess of Revenues Over Expenditures	-	-	3,774	3,774	(1,501)
Fund Balances Beginning of Year	65,620	65,620	65,620	-	67,121
Fund Balances End of Year	$ 65,620	$ 65,620	$ 69,394	$ 3,774	$ 65,620

Polk County, Georgia
Crime Victim Assistance Fund
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 2,070	$ 984
Interfund receivable	4,194	1,271
Intergovernmental receivable	6,599	4,624
Total Assets	$ 12,863	$ 6,879
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 9,647	$ 4,240
Interfund payable	3,216	1,413
Total Liabilities	12,863	5,653
Fund Balances		
Restricted	-	-
Total Fund Balances	-	-
Total Liabilities and Fund Balances	$ 12,863	$ 5,653

Polk County, Georgia
Crime Victim Assistance Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 35,000	$ 38,000	$ 41,695	$ 3,695	$ 36,969
Total Revenues	35,000	38,000	41,695	3,695	36,969
Expenditures					
Current					
Public safety	26,250	28,500	31,271	(2,771)	28,033
Excess of Revenues Over Expenditures	8,750	9,500	10,424	924	8,936
Other Financing (Uses)					
Transfers out	(8,750)	(9,500)	(10,424)	(924)	(8,936)
Net Change in Fund Balances	-	-	-	-	-
Fund Balances Beginning of Year	-	-	-	-	-
Fund Balances End of Year	$ -	$ -	$ -	$ -	$ -

Polk County, Georgia
Drug Abuse Treatment and Education Fund
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 5,883	$ 7,393
Interfund receivable	242	390
Intergovernmental receivable	-	-
	$ 6,125	$ 7,783
Liabilities and Fund Balances		
Liabilities		
Intergovernmental payable	$ -	$ 2,634
Interfund payable	973	-
Fund Balances		
Restricted	5,152	5,149
Total Liabilities and Fund Balances	$ 6,125	$ 7,783

Polk County, Georgia
Drug Abuse Treatment and Education Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 19,100	$ 16,900	$ 16,914	$ 14	$ 22,617
Investment earnings	20	20	3	(17)	8
Total Revenues	19,120	16,920	16,917	(3)	22,625
Expenditures					
Current					
Public safety	19,120	16,920	16,914	6	22,617
Excess of Revenues Over Expenditures	$ -	$ -	3	$ 3	8
Fund Balances Beginning of Year			5,149		5,141
Fund Balances End of Year			$ 5,152		$ 5,149

Polk County, Georgia
Law Enforcement Confiscated Monies - County Police Fund
Comparative Balance Sheet
June 30, 2012 and 2011

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	2012	2011
Assets		
Cash and cash equivalents	$ 115,884	$ 99,509
	$ 115,884	$ 99,509
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ 653	$ -
Fund Balances		
Restricted	115,231	99,509
	$ 115,884	$ 99,509

Polk County, Georgia
Law Enforcement Confiscated Monies - County Police Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 4,000	$ 48,500	$ 49,324	$ 824	$ 46,072
Investment earnings	100	40	46	6	78
Total Revenues	4,100	48,540	49,370	830	46,150
Expenditures					
Current					
Public safety	34,100	57,510	33,648	23,862	55,121
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (30,000)	$ (8,970)	15,722	$ 24,692	(8,971)
Fund Balances Beginning of Year			99,509		108,480
Fund Balances End of Year			$ 115,231		$ 99,509

Polk County, Georgia
Law Enforcement Confiscated Monies - Sheriff Fund
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 15,954	$ 18,318
Liabilities and Fund Balances		
Fund Balances		
Restricted	15,954	18,318
Total Liabilities and Fund Balances	$ 15,954	$ 18,318

Polk County, Georgia
Law Enforcement Confiscated Monies - Sheriff Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and Forfeitures	$ -	$ -	$ 11,006	$ 11,006	$ 5,592
Investment earnings	-	-	7	7	-
Total Revenues	-	-	11,013	11,013	5,592
Expenditures					
Current					
Public safety	74,118	28,747	13,377	15,370	32,272
Excess (Deficiency) of Revenues Over (Under) Expenditures	(74,118)	(28,747)	(2,364)	26,383	(26,680)
Fund Balances Beginning of Year	18,318	18,318	18,318	-	44,998
Fund Balances End of Year	$ (55,800)	$ (10,429)	$ 15,954	$ 26,383	$ 18,318

Polk County, Georgia
County Jail Fund
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 201,180	$ 205,152
Accounts receivable		
Interfund receivable	3,225	3,377
Total Assets	$ 204,405	$ 208,529
Liabilities		
Interfund payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted	204,405	208,529
Total Liabilities and Fund Balances	$ 204,405	$ 208,529

Polk County, Georgia
County Jail Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 54,100	$ 46,600	$ 46,906	$ 306	$ 50,760
Investment earnings	350	235	219	(16)	238
Total Revenues	54,450	46,835	47,125	290	50,998
Expenditures					
Current					
Public safety	14,450	12,000	11,249	751	-
Excess of Revenues Over Expenditures	40,000	34,835	35,876	1,041	50,998
Other Financing (Uses)					
Transfers out	(40,000)	(40,000)	(40,000)	-	(40,000)
Net Change in Fund Balances	$ -	$ (5,165)	(4,124)	$ 1,041	10,998
Fund Balances Beginning of Year			208,529		197,531
Fund Balances End of Year			$ 204,405		$ 208,529

Polk County, Georgia
District Attorney Fund
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 128,094	$ 170,469
Interfund receivables	3,216	1,413
Total Assets	$ 131,310	$ 171,882
Fund Balances		
Restricted	$ 131,310	$ 171,882

Polk County, Georgia
District Attorney Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ -	$ -	$ 7,581	$ 7,581	$ 5,884
Total Revenues	-	-	7,581	7,581	5,884
Expenditures					
Current					
Judicial	9,287	7,089	58,577	(51,488)	13,846
Excess of Revenues Over Expenditures	(9,287)	(7,089)	(50,996)	(43,907)	(7,962)
Other Financing Sources (Uses)					
Transfers in	9,287	7,089	10,424	3,335	8,936
Net Change in Fund Balances	-	-	(40,572)	(40,572)	974
Fund Balances Beginning of Year	171,882	171,882	171,882	-	170,908
Fund Balances End of Year	$ 171,882	$ 171,882	$ 131,310	$ (40,572)	$ 171,882

Polk County, Georgia
Juvenile Probation Fund
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 108,186	$ 108,435
Interfund receivable	700	10
Total Assets	$ 108,886	$ 108,445
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 760	$ -
	760	-
Fund Balances		
Restricted	108,126	108,445
Total Liabilities and Fund Balances	$ 108,886	$ 108,445

Polk County, Georgia
Juvenile Probation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 3,000	$ 2,200	$ 2,220	$ 20	$ 2,520
Investment earnings	50	50	55	5	54
Total Revenues	3,050	2,250	2,275	25	2,574
Expenditures					
Current					
Judicial	3,050	2,660	2,594	66	1,480
Excess of Revenues Over Expenditures	$ -	$ (410)	(319)	$ 91	1,094
Fund Balances Beginning of Year			108,445		107,351
Fund Balances End of Year			$ 108,126		$ 108,445

Polk County, Georgia
Clerk of Superior Court Special Fee Fund
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 60,711	$ 44,310
Intergovernmental receivable	2,345	2,887
Total Assets	$ 63,056	$ 47,197
Liabilities and Fund Balances		
Fund Balances		
Restricted	63,056	47,197
Total Liabilities and Fund Balances	$ 63,056	$ 47,197

Polk County, Georgia
Clerk of Superior Court Special Fee Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Charges for services	$ 12,000	$ 20,000	$ 20,197	$ 197	$ 18,658
Total Revenues	12,000	20,000	20,197	197	18,658
Expenditures					
Current					
Judicial	12,000	20,000	4,338	15,662	5,011
Excess of Revenues Over Expenditures	$ -	$ -	15,859	$ 15,859	13,647
Fund Balances Beginning of Year			47,197		33,550
Fund Balances End of Year			$ 63,056		$ 47,197

Polk County, Georgia
Sheriff - Other Programs
Balance Sheet
June 30, 2012

	2012	2011
Assets		
Cash and cash equivalents	$ 1,759	$ 2,957
Total Assets	$ 1,759	$ 2,957
Liabilities and Fund Balances		
Fund Balances		
Assigned	1,759	2,957
Total Liabilities and Fund Balances	$ 1,759	$ 2,957

Polk County, Georgia
Sheriff - Other Programs
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Miscellaneous	$ -	$ -	$ 5,756	$ 5,756	$ 3,492
Total Revenues	-	-	5,756	5,756	3,492
Expenditures					
Current					
Public Safety	-	-	6,954	(6,954)	3,149
Excess of Revenues Over Expenditures	$ -	$ -	(1,198)	$ (1,198)	343
Net Change in Fund Balances					
Fund Balances Beginning of Year			2,957		2,614
Fund Balances End of Year			$ 1,759		$ 2,957

Polk County, Georgia
2008 SPLOST Fund
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 5,317,735	$ 3,849,812
Interfund receivable	28,087	-
Intergovernmental receivable	498,130	612,542
Total Assets	$ 5,843,952	$ 4,462,354
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 119,695	$ 20,836
Intergovernmental payable	230,534	247,734
	350,229	268,570
Fund Balances		
Restricted for capital projects	5,493,723	4,193,784
Total Liabilities and Fund Balances	$ 5,843,952	$ 4,462,354

Polk County, Georgia
2008 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Project Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Restated Prior Years	Current Year	Total to Date
Revenues				
Sales taxes	$ 36,000,000	$ 14,346,579	$ 4,985,046	$ 19,331,625
Intergovernmental	-	206,591	624,745	831,336
Investment earnings	-	5,130	1,674	6,804
Total Revenues	36,000,000	14,558,300	5,611,465	20,169,765
Expenditures				
Intergovernmental	16,660,800	7,539,598	2,307,078	9,846,676
Capital Outlay				
General government	4,190,000	111,875	407,247	519,122
Public safety	4,765,000	892,008	747,344	1,639,352
Public works	4,200,000	1,568,378	858,627	2,427,005
Health and Welfare	2,308,000	14,344		14,344
Recreation	1,270,000	-	-	-
Economic Development	2,606,200	-	19,316	19,316
Total Expenditures	36,000,000	10,126,203	4,339,612	14,465,815
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	4,432,097	1,271,853	5,703,950
Other Financing Sources (Uses)				
Transfers out	-	(210,227)	-	(210,227)
Total Other Financing Sources (Uses)	-	(210,227)	-	(210,227)
Net Change in Fund Balances	$ -	4,221,870	1,271,853	$ 5,493,723
Fund Balances Beginning of Year			4,221,870	
Fund Balances End of Year			$ 5,493,723	

Polk County, Georgia
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2012

	2003 SPLOST Projects	Total
Assets		
Cash and cash equivalents	$ 52	$ 52
Intergovernmental receivable	1,882	1,882
Total Assets	$ 1,934	$ 1,934
Liabilities and Fund Balances		
Fund Balances		
Restricted	$ 1,934	$ 1,934
Total Fund Balances	1,934	1,934
Total Liabilities and Fund Balances	$ 1,934	$ 1,934

Polk County, Georgia
Nonmajor Capital Projects Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2012

	2003 SPLOST	General - Capital Projects	Total
Revenues			
Investment earnings	$ 89	$ -	$ 89
Total Revenues	89	-	89
Expenditures			
Intergovernmental	**-**	3,328	3,328
Capital Outlay			
Public works	428,758	-	428,758
Health and welfare	-	-	-
Total Expenditures	428,758	3,328	432,086
Excess (Deficiency) of Revenues Over (Under) Expenditures	(428,669)	(3,328)	(431,997)
Other Financing Sources			
Transfers in	-	-	-
Total Other Financing Sources	-	-	-
Net Change in Fund Balances	(428,669)	(3,328)	(431,997)
Fund Balances Beginning of Year	430,603	3,328	433,931
Fund Balances End of Year	$ 1,934	$ -	$ 1,934

Polk County, Georgia
2003 SPLOST Fund
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 52	$ 512,007
Intergovernmental receivable	1,882	1,882
Total Assets	$ 1,934	$ 513,889
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 82,549
Interfund payable	-	737
	-	83,286
Fund Balances		
Restricted for capital outlay	1,934	430,603
Total Liabilities and Fund Balances	$ 1,934	$ 513,889

Polk County, Georgia
2003 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Project Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Prior Years	Current Year	Total to Date
Revenues				
Sales taxes	$ 22,000,000	$ 22,537,990	$ -	$ 22,537,990
Intergovernmental	-	2,306,342	-	2,306,342
Miscellaneous	-	74,112	-	74,112
Investment earnings	-	67,588	89	67,677
Total Revenues	22,000,000	24,986,032	89	24,986,121
Expenditures				
Current				
General government	-	28,913	-	28,913
Intergovernmental	10,650,000	10,908,793	-	10,908,793
Capital Outlay				
General government	-	719,175	-	719,175
Public safety	6,500,000	3,969,710	-	3,969,710
Public works	4,850,000	6,866,181	428,758	7,294,939
Recreation	-	1,600,000	-	1,600,000
Debt Service				
Loan costs	-	14,485	-	14,485
Principal	-	6,899,780	-	6,899,780
Interest	-	448,444	-	448,444
Total Expenditures	22,000,000	31,455,481	428,758	31,884,239
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(6,469,449)	(428,669)	(6,898,118)
Other Financing Sources (Uses)				
Transfers in	-	52	-	52
Transfers out	-	-	-	-
Inception of installment contract obligation	-	6,900,000	-	6,900,000
Total Other Financing Sources (Uses)	-	6,900,052	-	6,900,052
Net Change in Fund Balances	$ -	$ 430,603	(428,669)	$ 1,934
Fund Balances Beginning of Year			430,603	
Fund Balances End of Year			$ 1,934	

Polk County, Georgia
General Capital Projects Funds
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ -	$ 3,328
Total Assets	$ -	$ 3,328
Liabilities and Fund Balances		
Liabilities		
Fund Balances		
Restricted for capital projects	$ -	$ 3,328
Total Liabilities and Fund Balances	$ -	$ 3,328

Polk County, Georgia
Solid Waste Fund
Comparative Statement of Net Assets
June 30, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	$ 4,110,551	$ 3,184,971
Receivables		
Accounts	124,116	128,585
Interest	1,547	5,008
Total Current Assets	4,236,214	3,318,564
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents	1,881,338	1,711,442
Capital Assets		
Land	150,186	150,186
Depreciable capital assets, net	57,833	70,136
Total Noncurrent Assets	2,089,357	1,931,764
Total Assets	6,325,571	5,250,328
Liabilities		
Current Liabilities		
Accounts payable	-	620
Deferred revenue	5,000	5,000
Total Current Liabilities	5,000	5,620
Long-Term Liabilities		
Deferred income - postclosure trust agreement	1,828,515	1,660,571
Landfill closure and postclosure care costs	924,163	924,163
Total Long-Term Liabilities	2,752,678	2,584,734
Total Liabilities	2,757,678	2,590,354
Net Assets		
Invested in capital assets	208,019	220,322
Unrestricted	3,359,874	2,439,652
Total Net Assets	$ 3,567,893	$ 2,659,974

Polk County, Georgia
Solid Waste Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2012 and 2011

	2012	2011
Operating Revenues		
Rental and royalty fees	$ 1,575,168	$ 1,356,346
Recycling sales	26,644	18,572
Total Operating Revenues	1,601,812	1,374,918
Operating Expenses		
Operating	8,866	18,218
Depreciation	12,304	12,302
Total Operating Expenses	21,170	30,520
Operating Income	1,580,642	1,344,398
Non-Operating Revenues (Expenses)		
Investment earnings	7,277	4,303
Total Non-Operating Revenues (Expenses)	7,277	4,303
Income before Transfers	1,587,919	1,348,701
Transfers out	(680,000)	(480,000)
Change in Net Assets	907,919	868,701
Net Assets Beginning of Year	2,659,974	1,791,273
Net Assets End of Year	$ 3,567,893	$ 2,659,974

Polk County, Georgia
Solid Waste Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Cash received from customers	$ 1,606,281	$ 1,358,869
Cash payments for goods and services	(9,486)	(21,278)
Net Cash Provided by Operating Activities	1,596,795	1,337,591
Cash Flows from Noncapital Financing Activities		
Transfer to other funds	(680,000)	(480,000)
Postclosure trust funding by lessee	167,944	186,109
Net Cash Provided by (Used in) Noncapital Financing Activities	(512,056)	(293,891)
Cash Flows from Investing Activities		
Investment earnings	10,737	6,818
Net Increase (Decrease) in Cash and Cash Equivalents	1,095,476	1,050,518
Cash and Cash Equivalents Beginning of Year	4,896,413	3,845,895
Cash and Cash Equivalents End of Year	$ 5,991,889	$ 4,896,413

(continued)

Polk County, Georgia
Solid Waste Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2012 and 2011

(continued)

	2012	2011
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 1,580,642	$ 1,344,398
Adjustments		
Depreciation	12,304	12,302
(Increase) Decrease in Assets		
Accounts receivable	4,469	(16,049)
Increase (Decrease) in Liabilities		
Accounts payable	(620)	(3,060)
Net Cash Provided by Operating Activities	$ 1,596,795	$ 1,337,591

Polk County, Georgia
Agency Funds
Comparative Statement of Fiduciary Assets and Liabilities
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 836,514	$ 886,247
Receivables		
Accounts	2,954	2,014
Property taxes	1,344,447	1,158,492
Total Assets	$ 2,183,915	$ 2,046,753
Liabilities		
Due to others	$ 2,183,915	$ 2,046,753
Total Liabilities	$ 2,183,915	$ 2,046,753

Polk County, Georgia
Agency Funds
Combining Statement of Fiduciary Assets and Liabilities
June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012								2011
	Tax Commissioner	Clerk of Superior Court	Magistrate Court	Sheriff	Probate Court	Police Seized Property	Juvenile Court	Total	Total
Assets									
Cash and cash equivalents	$ 157,533	$ 337,464	$ 5,152	$ 231,642	$ 27,075	$ 77,628	$ 20	$ 836,514	$ 886,247
Receivable (net of allowance for uncollectibles)									
Property taxes	1,344,447	-	-	-	-	-	-	1,344,447	1,158,492
Accounts	1,538	-	90	-	1,326	-	-	2,954	2,014
Total Assets	$ 1,503,518	$ 337,464	$ 5,242	$ 231,642	$ 28,401	$ 77,628	$ 20	$ 2,183,915	$ 2,046,753
Liabilities									
Due to others	$ 1,503,518	$ 337,464	$ 5,242	$ 231,642	$ 28,401	$ 77,628	$ 20	$ 2,183,915	$ 2,046,753
Total Liabilities	$ 1,503,518	$ 337,464	$ 5,242	$ 231,642	$ 28,401	$ 77,628	$ 20	$ 2,183,915	$ 2,046,753

Polk County, Georgia
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2012

(continued)

Tax Commissioner	Balance July 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2012
Assets					
Cash and cash equivalents	$ 61,444	$ 26,648,494	$ 26,508,417	$ (43,988)	$ 157,533
Accounts receivable	1,538	-	-	-	1,538
Taxes receivable	1,158,492	185,955	-	-	1,344,447
Total Assets	$ 1,221,474	$ 26,834,449	$ 26,508,417	$ (43,988)	$ 1,503,518
Liabilities					
Interfund payable	$ -	$ 10,737,004	$ 10,693,016	$ (43,988)	$ -
Due to others	1,221,474	16,097,445	15,815,401	-	1,503,518
Total Liabilities	$ 1,221,474	$ 26,834,449	$ 26,508,417	$ (43,988)	$ 1,503,518

Superior Court	Balance July 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2012
Assets					
Cash and cash equivalents	$ 461,313	$ 753,568	$ 842,067	$ (35,350)	$ 337,464
	$ 461,313	$ 753,568	$ 842,067	$ (35,350)	$ 337,464
Liabilities					
Interfund payable	$ -	$ 331,735	$ 296,385	$ (35,350)	$ -
Due to others	461,313	421,833	545,682	-	337,464
Total Liabilities	$ 461,313	$ 753,568	$ 842,067	$ (35,350)	$ 337,464

Magistrate Court	Balance July 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2012
Assets					
Cash and cash equivalents	$ 7,448	$ 515,712	$ 518,008	$ -	$ 5,152
Accounts receivable	65	25	-	-	90
Total Assets	$ 7,513	$ 515,737	$ 518,008	$ -	$ 5,242
Liabilities					
Interfund payable	$ -	$ 215,144	$ 215,144	$ -	$ -
Due to others	7,513	300,593	302,864	-	5,242
Total Liabilities	$ 7,513	$ 515,737	$ 518,008	$ -	$ 5,242

Polk County, Georgia
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2012

(continued)

Sheriff	Balance July 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2012
Assets					
Cash and cash equivalents	$ 232,288	$ 533,270	$ 533,916	$ -	$ 231,642
Accounts receivable	-	4,550	-	(4,550)	-
Intergovernmental receivable	-	24,663	-	(24,663)	-
Total Assets	$ 232,288	$ 562,483	$ 533,916	$ (29,213)	$ 231,642
Liabilities					
Interfund payable	$ -	$ 527,471	$ 498,258	$ (29,213)	$ -
Due to others	232,288	35,012	35,658	-	231,642
Total Liabilities	$ 232,288	$ 562,483	$ 533,916	$ (29,213)	$ 231,642

Probate Court	Balance July 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2012
Assets					
Cash and cash equivalents	$ 28,585	$ 579,484	$ 540,584	$ (40,410)	$ 27,075
Accounts receivable	411	915	-	-	1,326
Total Assets	$ 28,996	$ 580,399	$ 540,584	$ (40,410)	$ 28,401
Liabilities					
Interfund payable	$ -	$ 458,252	$ 417,842	$ (40,410)	$ -
Due to others	28,996	122,147	122,742	-	28,401
Total Liabilities	$ 28,996	$ 580,399	$ 540,584	$ (40,410)	$ 28,401

County Probation	Balance July 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2012
Assets					
Cash and cash equivalents	$ -	$ 110,307	$ 110,307	$ -	$ -
Liabilities					
Interfund payable	$ -	$ -	$ -	$ -	$ -
Due to others	-	110,307	110,307	-	-
Total Liabilities	$ -	$ 110,307	$ 110,307	$ -	$ -

Polk County, Georgia
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2012

Police Seized Property	Balance July 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2012
Assets					
Cash and cash equivalents	$ 94,456	$ 30	$ 16,858	$ -	$ 77,628
Liabilities					
Due to others	$ 94,456	$ 30	$ 16,858	$ -	$ 77,628

Juvenile Court	Balance July 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2012
Assets					
Cash and cash equivalents	$ 713	$ 5,378	$ 5,321	$ (750)	$ 20
Liabilities					
Interfund payable	$ -	$ 4,728	$ 3,978	$ (750)	$ -
Due to others	713	650	1,343	-	20
Total Liabilities	$ 713	$ 5,378	$ 5,321	$ (750)	$ 20

Total	Balance July 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2012
Assets					
Cash and cash equivalents	$ 886,247	$ 29,146,243	$ 29,075,478	$ (120,498)	$ 836,514
Taxes receivable	1,158,492	185,955	-	-	1,344,447
Accounts receivable	2,014	5,490	-	(4,550)	2,954
Intergovernmental receivable	-	24,663	-	(24,663)	-
Total Assets	$ 2,046,753	$ 29,362,351	$ 29,075,478	$ (149,711)	$ 2,183,915
Liabilities					
Interfund payable	$ -	$ 12,274,334	$ 12,124,623	$ (149,711)	$ -
Due to others	2,046,753	17,088,017	16,950,855	-	2,183,915
Total Liabilities	$ 2,046,753	$ 29,362,351	$ 29,075,478	$ (149,711)	$ 2,183,915