TALIAFERRO COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the year ended JUNE 30, 2012

Taliaferro County, Georgia
Annual Financial Report
June 30, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Taliaferro County, Georgia

I have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information, and discretely presented component unit of Taliaferro County, Georgia, 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 the Taliaferro County, Georgia's, management. My responsibility is to express opinions on these financial statements based on my audit. We did not audit the financial statements of the Taliaferro County Health Department, Georgia, a discrete component unit, which represent less than 1% of the net assets and revenues of Taliaferro County, Georgia. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Taliaferro County Health Department, Georgia, is based on the report of the other auditors.

I conducted my 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 I 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. I believe that my audit and the report of other auditors provide a reasonable basis for our opinions.

In my opinions, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Taliaferro County, Georgia, as of June 30, 2012, and the respective changes in financial position for the required funds for the year then ended in conformity with accounting principles generally accepted in the United State of America.

In accordance with Government Auditing Standards, I have also issued a report dated December 20, 2012, on my consideration of Taliaferro County's internal control over financial reporting and my tests of its compliance with laws regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying management's budgetary comparison information in the accountant's reports and supplemental information section are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. The information is the responsibility of the County's management. I have applied certain limited procedures, which consist primarily of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and accordingly, do not express an opinion on it. Management has elected not to present a discussion and analysis section for this year.

My audit was performed for the purpose of forming opinions on the respective financial statements that collectively comprise the County's basic financial statements. The supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements and is the responsibility of the County's management.

Steven G. Albertson, CPA
Washington, Georgia
December 20, 2012

BASIC FINANCIAL STATEMENTS

Government Wide Financial Statements

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

	Primary Government	Component Units
	Governmental Activities	Governmental Activities
Assets		
Current Assets		
Cash and Cash equivalents	2,218,452	101,559
Investments		
Receivables:		
Accounts	0	0
Property taxes	0	
Intergovernmental	30,239	8,281
Other		
Internal balances		
Component units		
Inventory		
Prepaid items		
Capital Assets		
Nondepreciable capital assets	2,048,244	0
Depreciable capital assets, net	7,379,654	0
Total Assets	11,676,589	109,840
Liabilities		
Current Liabilities		
Pooled cash payable		
Accounts payable	89,030	38
Accrued liabilities		
Due to Others		4,783
Due to primary governments		
Accrued interest		
Unearned revenue	22,426	
Compensated absences payable	0	6,313
General obligation bonds payable		
Long Term Liabilities		
Compensated absences payable (net of current portion)		
Landfill Postclosure monitoring	215,985	0
General obligation bonds payable (net of current portion)	0	0
Total Liabilities	327,441	11,134
Net Assets		
Invested in capital assets, net of related debt	9,427,898	0
Restricted for:		
Debt service		
Capital projects		
Program purposes	416,049	15,727
Unassigned	1,505,201	82,979
Total Net Assets	11,349,148	98,706

See accompanying notes to the basic financial statements.

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

Functions	Expenses	Program Revenues: Charges for Services, Fines and Sales	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Total	Component Units: Governmental Activities	Component Units: Total
Primary Government							
Governmental Activities							
General government	915,244	1,700	0	-913,544	-913,544		
Judicial	251,939		0	-251,939	-251,939		
Public safety	983,342	809,981	0	-173,361	-173,361		
Public works	324,892		0	-324,892	-324,892		
Solid Waste Management	119,061	0	0	-119,061	-119,061		
Health and Welfare	243,684		182,871	-60,812	-60,812		
Culture and recreation	14,191		0	-14,191	-14,191		
Industrial Development	6,977		0	-6,977	-6,977		
Natural Resources	11,221		0	-11,221	-11,221		
Total Governmental Activities	2,870,550	811,681	182,871	0 -1,875,998	-1,875,998		
Component Units							
Taliaferro County Health Department	125,914	15,726	108,855			-1,333	-1,333
Total Component Units	125,914	15,726	108,855			-1,333	-1,333
General Revenues							
Property taxes levied for:							
General purposes				1,570,317	1,570,317	0	
Debt service				0	0		
Sales taxes				102,130	102,130		
Investment earnings				0	0	150	150
Miscellaneous				53,205	53,205	0	0
Total General Revenues				1,725,652	1,725,652	150	150
Transfers				0	0	0	0
Total General Revenues and Transfers				1,725,652	1,725,652	150	150
Change in Net Assets				-150,346	-150,346	-1,183	-1,183
Net Assets beginning of year				11,499,494	11,499,494	99,889	99,889
Net Assets End of Year				11,349,148	11,349,148	98,706	98,706

See accompanying notes to the basic financial statements

Fund Financial Statements

Taliaferro County, Georgia
Balance Sheet of Governmental Funds
June 30, 2012

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 1,802,404	$ 286,016	$ 130,032	$ 2,218,452
Taxes Receivable	$ -	$ -	$ -	$ -
Due From Other Funds	$ -	$ -	$ -	$ -
Due From State of Georgia	$ -	$ -	$ -	$ -
Total	$ 1,802,404	$ 286,016	$ 130,032	$ 2,218,452
Liabilities				
Accounts Payable	$ 89,030	$ -	$ -	$ 89,030
Landfill closure/monitoring liability	$ -	$ -	$ -	$ -
Due to Other Funds	$ -	$ -	$ -	$ -
Due to Other Governments	$ -	$ -	$ -	$ -
General Obligation Bonds Payable	$ -	$ -	$ -	$ -
Due to Others	$ -	$ -	$ -	$ -
Total Liabilities	$ 89,030	$ -	$ -	$ 89,030
Fund Balances				
Fund Balance:				
Restricted fund balance	$ -	$ 286,016	$ 130,032	$ 416,049
Unassigned fund balance	$ 1,713,374	$ -	$ -	$ 1,713,374
Total Fund Balances	$ 1,713,374	$ 286,016	$ 130,032	$ 2,129,423
Total	$ 1,802,404	$ 286,016	$ 130,032	$ 2,218,453

The accompanying notes are an integral part of the basic financial statements.

Taliaferro County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2012

Amounts Reported for governmental activities in the statement of net assets are different because:

	Primary Gov
Total Fund balance on Balance Sheet	2,129,423
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (capital assets net of depreciation)	
Land	2,048,244
Gross Depreciable Assets	11,350,393
Less Accumulated Depreciation	-3,970,739
Accounts receivable but not realized within the 60 day time frame	30,239
defined for fund level statements (Taxes Receivable or Grants Receivable)	0
Previously accrued revenues that were deferred; earned during the period	-22,427
Long-term Liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences accrued	
Landfill postclosure liability charge	-215,985
Net assets of governmental activities	11,349,148

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

Taliaferro County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
For the year ended June 30, 2012

	General	Splost	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 1,570,357	$ 102,130	$ -	$ 1,672,487
Licenses and Permits	$ 1,700	$ -	$ -	$ 1,700
Intergovernmental Revenues	$ 89,321	$ -	$ 93,551	$ 182,871
Charges for Services	$ -	$ -	$ -	$ -
Fines and Fees	$ 809,981	$ -	$ -	$ 809,981
Miscellaneous	$ 53,205	$ -	$ -	$ 53,205
Total Revenues	$ 2,524,563	$ 102,130	$ 93,551	$ 2,720,244
Current Operating Expenditures				
General Government	$ 688,127	$ -	$ -	$ 688,127
Court System	$ 251,939	$ -	$ -	$ 251,939
Public Safety	$ 934,575	$ -	$ -	$ 934,575
Highways, Roads, and Bridges	$ 258,678	$ 66,214	$ -	$ 324,892
Solid Waste Management	$ 115,106	$ -	$ -	$ 115,106
Health and Welfare	$ 151,882	$ -	$ 91,802	$ 243,684
Culture and Recreation	$ 14,191	$ -	$ -	$ 14,191
Industrial Development	$ 6,977	$ -	$ -	$ 6,977
Natural Resources	$ 11,221	$ -	$ -	$ 11,221
Total Operating Expenditures	$ 2,432,697	$ 66,214	$ 91,802	$ 2,590,712
Capital Expenditures				
General Government	$ -	$ -	$ -	$ -
Court System	$ -	$ -	$ -	$ -
Public Safety	$ -	$ -	$ -	$ -
Highways, Roads, and Bridges	$ -	$ -	$ -	$ -
Solid Waste Management	$ -	$ -	$ -	$ -
Health and Welfare	$ -	$ -	$ -	$ -
Culture and Recreation	$ -	$ -	$ -	$ -
Industrial Development	$ -	$ -	$ -	$ -
Natural Resources	$ -	$ -	$ -	$ -
Buildings	$ -	$ -	$ -	$ -
Total Capital Expenditures	$ -	$ -	$ -	$ -
Debt Service:				
Principle Retirement	$ -	$ -	$ -	$ -
Interest and fiscal Charges	$ -	$ -	$ -	$ -
Excess (Deficiency) of Revenues over Expenditures	$ 91,867	$ 35,915	$ 1,749	$ 129,532
Other Financing Sources (Uses)				
Transfer to E-911 Fund	$ -	$ -	$ -	$ -
Transfer from EIP fund	$ -		$ -	$ -
Transfer to Sec. 5311	$ (12,748)	$ -	$ 12,748	$ -
				$ -
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	$ 79,118	$ 35,915	$ 14,498	$ 129,532
Fund Balance beginning of year	$ 1,634,256	$ 244,374	$ 115,534	$ 1,994,164
Fund Balance end of year	$ 1,713,374	$ 280,289	$ 130,032	$ 2,123,696

The accompanyng notes are an integral part of the basic financial statements.

Taliaferro County, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the year ended June 30, 2012

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

	Primary Gov
Net change in Fund balances - total governmental funds	129,532
Govermental funds report compensated abscences in the period that current financial resources are used. However the statement of activity records expenses related to compensated absences as they are earned.	3,433
Revenues recognized in previous years fund statements accrued into Net Assets	0
Landfill postclosure monitoring - difference between actual and accrued cost 2012 - 3955	(3,995)
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation in the current period.	(275,883)
Expenditures for capital reasons elected to be expensed: (SPLOST 66,214)	
Amount of assets purchased in the current period capitalized.	0
Change in net assets of governmental activities.	(150,346)

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The accompanying notes are an integral part of the basic financial statements.

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

	Totals
Assets	
Cash and Cash Equivalents	$247,219
Total	$247,219
Liabilities	
Due to State of Georgia	$ -
Due to Other Local Governments	$ -
Due to Other	$247,219
Total Liabilities	$247,219
Fund Equity	
Fund Balance	$ (0)
Total Fund Balance	$ (0)
Total	$247,219

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Taliaferro County, the 65th county formed in Georgia, was created in 1825. Originally part of Hancock, Greene, Oglethorpe, Wilkes, and Warren counties; Taliaferro County was named for Revolutionary War hero and U.S. Congressman Benjamin Taliaferro. The county's name is pronounced as if it were "oliver" proceeded by a "t." Taliaferro County has a 3-member board of commissioners, with the chairman elected by the voters. The county seat of Taliaferro County is Crawfordville.

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 funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements. The more significant accounting policies are described below.

A. THE REPORTING ENTITY

The reporting entity is comprised of the primary government, and component units and other organizations that are included to ensure that the financial statements are not misleading.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization it 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 organization; 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.

Discretely presented component units generally 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.

The county has one component unit.

The Taliaferro County Health Department receives the bulk of its funding form the Georgia Department of Human Resources and the full audited statements are available at:

Taliaferro County Health Department
55 Alexander Street
Crawfordville, GA 30631

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 a statement of net assets and a statement of activities. These statements report financial information for the County as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. Individual funds are not displayed at this reporting level, but the statements distinguish governmental activities, generally supported by taxes and County general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net assets presents the financial position of the governmental and business-type activities of the County.

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 statements of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly related to 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.*

Taxes and 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 County 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.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. The fiduciary finds are reported by type.

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.

Government Funds – Governmental 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:

Major Funds:

General Fund – The general fund accounts for all financial resources except those required to be accounted for in other funds. 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.

SPLOST Fund – This is a capital projects fund to account for special purpose local option sales

taxes. The fund's balance is restricted to the purposes approved by the voters by the referendum. The county uses these funds for road and bridge improvements.

Special Revenue Fund - The Special Revenue Fund is used to account for specific revenue sources, including special services district, grants, and similar trust funds that are legally restricted to expenditures for specified purposes. These funds consist of such things as the Drug Education fund, Rural Transit fund, Condemnation accounts, and a revolving EIP grant fund.

Fiduciary Fund Types

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

The County has no proprietary type funds.

C. BASIS OF ACCOUNTING

Measurement Focus/Basis of Accounting

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 to the County are included on the statement of net assets. The statement of activities reports revenues and expenses, including depreciation.

Fund Financial Statements – All government funds are accounted for using a flow of current financial resources measurement focus in these financial statements. 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 measurements 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.

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, governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. 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 transaction, in which each party gives and receives 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, phrase "available for exchange transactions" means expected to be received within twelve months 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 donation. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place and on the modified accrual basis, it is recognized in the year received (i.e., when considered available). 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 provide 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 e susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

Deferred 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.
Sales taxes collected by the State of Georgia, Department of Revenue, for the May and June sales are reported as deferred revenue at year-end. Property taxes receivable not collected within 60 days of year-end have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred 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.

D. Assets, Liabilities and Fund Equity

1-D-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 government or governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S, obligations.

1-D-2. Receivables

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

1-D-3. Interfund Balances

On the fund financial statements, receivables and payable resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the government-wide 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-D-4. Consumable Inventories

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

On the fund financial statement, 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 expenditure in the governmental fund types when consumed.

1-D-5. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. 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 enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the enterprise funds' 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 value as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads, bridges, and water and sewer lines. Improvements (i.e., betterments) 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 funds is capitalized.

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:

Buildings	40 years
Heavy Equipment	7 years
Vehicles	5-7 Years
Roads & Bridges	50 years

1-D-6. 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 employee for the benefits though paid time off or some other means.

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

The total compensated absence liability has been reported on the government-wide financial statement. Personal or sick leave can be accumulated, but is paid currently and not upon termination or retirement. Vacation time is paid upon retirement, resignation, or termination of the employee. Governmental funds report the compensated absence liability at the fund reporting level only "when due." Compensated absences are paid with General Fund revenues when the absence is taken.

1-D-7. 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 these funds. However, compensated absences that will be paid form 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. Debt service expenditures are recognized as a liability in the governmental fund financial statements when due.

1-D-8. Bond Premiums, Discount and Issuance Cost

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

At government fund reporting level, bond premiums and discount are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as expenditure.

1-D-9. 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. The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations demonstrate management's intent to set aside these resources for specific services. The County has adopted a 35 percent reserve policy to retain in reserve an equivalent of 35 percent of current year budgeted revenues from the unreserved/undesignated fun balance.

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. The net asset amount also is adjusted by any bond issuance deferred 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 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-D-11. 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 and the after non-operating revenues/expenses section in proprietary funds. Repayment 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. Transfers between funds reported in the business type activities column are eliminated.

1-D-12. 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-D-13. 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 in the prior year data have been reclassified to be consistent with the current year's presentation.

NOTE 2 – CHANGE IN ACCOUNTING

Reserved

NOTE 3

3-A. Budgetary Information – The County adopts an annual operating budget for the general fund and each special revenue fund. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental funds budgets are adopted on a basis consistent with GAAP.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

- The County Administrator may transfer funds from one object or purpose to another within the same department.
- The County Commission may amend the budget by motion during the fiscal year.

Formal budgetary integration is employed as a management control device during the year for all budgeted funds.

3-B. Excess of Expenditures Over Appropriations

No funds reported expenditures/expenses over appropriations. Budgets are adjusted at year end to match expenditures to comply with state requirements.

4-A. Deposits and Investments

Deposits – The bank balance is classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by the County or by its agent in its name, 2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the County's name, and 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging institution's trust department or agent but not in the County's name. Although the county has no formal policy related to credit risk, it follows state law as stated above in Note 1-D-1.

The County's deposits are classified as follows at June 30, 2012:

Risk Category	County	Component Unit
Category 1	1,180,547	101,559
Category 2	1,275,105	0
Total	2,455,652	101,559

The carrying amount of these deposits was $2,229,8250 for all funds including Agency funds. The carrying amount for component units was $101,559.

4-B. Receivables

Receivables at June 30, 2012, consisted of taxes, interests, accounts (billing 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.

4-C. Property Taxes

Normally, property tax levies are set by the County in September of each year for collection in the following December. Taxes are levied annually by the County and for the year ended June 30, 2012, the levy occurred on December 10, 2011. Real and personal property taxes were due February 10, 2012. The Combined mil rate for state, county, and school was 44.52 mils.

4-D. Capital Assets

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

	Beginning Balance	Additions	Retired	Ending Balance
Governmental Activities				
Land	2,048,244	0	0	2,048,244
Other Capital Assets:				
Buildings and improvements	3,262,903	0	0	3,262,903
Equipment	810,290	0	0	810,290
Infrastructure	7,277,200	0	0	7,277,200
Total other capital assets at historical cost	11,350,393	0	0	11,350,393
Less Accumulated depreciation				
Buildings and improvements	(1,098,910)	(81,573)		(1,180,483)
Equipment	(703,874)	(48,766)	0	(752,640)
Infrastructure	(1,892,072)	(145,544)		(2,037,616)
Total accumulated depreciation	(3,694,856)	(275,883)	0	(3,970,739)
Governmental activities capital assets net	9,703,781	(275,883)	0	9,427,898

Depreciation for General Government was $227,117; Public safety was $48,766.

4-E. Interfund Balances and Transfers

There were no Interfund balances at June 30, 2012. Interfund transfers for the year ended June 30, 2012, consisted of the following:

General Fund to the Section 5311 Fund (Special Revenue) $12,748

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; 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.

4-F. Compensated Absences

The county grants vacation, personal, and sick leave on an as needed basis subject to certain limitations. The county does not pay accumulated sick leave upon termination or retirement. The county uses General Fund revenues to pay for vacation, personal, and sick leave as it is taken by the employees. The county has accrued leave time as follows for this year:

Governmental Activities	Balance 7/1/11	Additions	Deletions	Balance 6/30/12
Primary Government	0	0	0	0
Component Unit	2880	3433	0	6313

4-G. Long-Term Debt

The long-term debt of Taliaferro County consists of an accrual for the closure and postclosure care associated with the solid waste landfill and is fully described in Note 7. The County typically uses General fund revenues to pay for the monitoring costs. The amount estimated to be due each year is shown in Note 7.

Changes in Long Term Liabilities	Beginning Accrual	Additions	Retirements	Remaining Balances
Compensated Absences	2,880	3433	0	6313
Landfill Post-closure Care	228,690	0	12,705	215,985

4-H . RETIREMENT BENEFITS

The following pension and retirement plans are in effect but are not under the direct control of the County:

1. Agricultural Extension Supplemental Teachers Retirement Fund
The County agent and designated employees in this office are partially paid by the County. A contribution to their pension fund is made by the General Fund.

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

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

4. Sheriffs' Retirement Fund/Peace Officers' Annuity and Benefit Fund
The Sheriff and Sheriff Deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plan before the payment of any costs or other claims.

4-I. COMPARATIVE DATA

Comparative totals for the prior year have been not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read. A copy of the prior year's audit is available in the County Clerk's office.

NOTE 5. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

5-A. COMPLIANCE WITH LEGAL AND CONTRACTUAL PROVISIONS

In the opinion of the County Attorney, Taliaferro County, Georgia, is in compliance with all legal and contractual provisions. No violations were observed during the examination of the financial statements of the County.

5-B. DEFICIT FUND BALANCES

All funds operated by Taliaferro County, Georgia, had positive balances at June 30, 2012.

NOTE 6. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

6-A. LITIGATIONS

In the opinion of the County Attorney there are no suits pending or unasserted claims that would result in material liabilities to the County.

6-B. CONTINGENCIES

According to the County Attorney, the County has no legal contracts or agreements under which the County has assumed any actual or potential liability for the obligations of any other governmental or private agency, authority or instrumentality.

6-C. FEDERAL FINANCIAL ASSISTANCE

During the year ended June 30, 2012, Taliaferro County expended Federal financial assistance in the amount of $152,070 under a variety of small grants. In accordance with Section 200 of OMB Circular No. A-133, for years effective ending on or after June 30, 1997, a Single audit is not required. Therefore, the audit was not made in accordance with the provisions of the Single Audit Act Amendments of 1996.

NOTE 7. LANDFILL CLOSURE AND POSTCLOSURE CARE

State and federal laws require the county to place a final cover on its current landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The closure permit has not yet been issued for the county. The county must recognize an estimated liability for the cost of putting the final cover on the landfill and monitoring it in accordance with applicable state and federal laws. These laws are subject to change over time as new technologies are developed, thus making the estimated liability subject to change in future years. Also, inflation or deflation may also change the estimate. The county must recognize a liability based on the total estimated liability of closure and postclosure care costs. The difference in what has been restricted to the closure and postclosure costs and the estimated accrued liability is reported as general long-term debt. The landfill has been closed since 2000.

	Estimates	Expended	Actual
Atlantic Coast Consulting, Inc.			
Estimated Closure Cost	50,000		
Expended		50,000	50,000
Monitoring			
2000	12,705	12,705	8,750
2001	12,705	12,705	8,750
2002	12,705	12,705	8,750
2003	12,705	12,705	8,750
2004	12,705	12,705	8,750
2005	12,705	12,705	8,750
2006	12,705	12,705	10,250
2007	12,705	12,705	8,750
2008	12,705	12,705	8,750
2009	12,705	12,705	8,750
2010	12,705	12,705	8,750
2011	12,705	12,705	8,750
2012	12,705	12,705	8,750
2013	12,705		
2014	12,705		
2015	12,705		
2016	12,705		
2017	12,705		
2018	12,705		
2019	12,705		
2020	12,705		
2021	12,705		
2022	12,705		
2023	12,705		
2024	12,705		
2025	12,705		
2026	12,705		
2027	12,705		
2028	12,705		
2029	12,705		
Total Estimate	431,150		
Estimate Expended		215,165	
Actual Expended			165,250
Amount to be provided	215,985		

NOTE 7. RELATED PARTY TRANSACTIONS

The County had no material related party transactions.

NOTE 8. RISK FINANCING ACTIVITIES

The County is exposed to risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year, the county carried insurance through participation in a Public Entity Risk Pool sponsored by the Association of County Commissions of Georgia (ACCG). This pool consists of counties throughout the state of Georgia, and provides common risk management and general insurance for its member counties. The pool is designed to be self-sustaining through member's premiums. The County's responsibilities are to contribute a proportionate amount of premium into the pool to keep the pool solvent by the direction of the pool's trustees. The pool's responsibilities include the prompt payment of claims in excess of deductibles and providing professional assistance in risk management.

The county participates in the ACCG Group Self-Insurance Workers' Compensation Fund (Fund), a self-insurance pool cooperative arrangement among its members to finance workers' compensation coverage. The fund is owned by its members and is managed by a seven member Board of Trustees made up of representatives from participating counties. The pool is designed to be self-sustaining through its member's premiums. The County's responsibilities are to contribute a proportional amount of premium and/or assessment into the pool to keep the pool solvent by the direction of the pool's trustees. The County must also cooperate with the pool's attorneys and agents, to follow the loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with the coverage descriptions issued, all incidents that could result in the funds being required to pay any claim or loss. The County is also to allow the fund's attorneys and agents to represent the County in the investigation, settlement discussions, and all levels of litigation arising out of any claim made against the County within the scope of loss protection provided by the funds.

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

The levels of insurance for vehicles vary from year to year based on the number of vehicles covered, but policy limits and deductibles have not changed in the past three years. Liability coverage in the amount of $1,000,000 is carried by the county, and has not changed for three years. Workers Compensation is based on a claims history, and has not significantly changed in the past three years. No claims in excess of policy limits have been incurred in the past three years.

NOTE 9. SUBSEQUENT EVENTS

There were no subsequent events of a material nature.

NOTE 10. JOINT VENTURES

Under Georgia law, the county, in conjunction with other cities and counties in the Central Savannah River District, is a member of the CSRA Regional Development Center (CSRARDC) and is required to pay annual dues. Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC's in Georgia. The RDC board members include the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

Central Savannah River Area Rural Development Center
2123 Wrightsboro Road
Augusta, Georgia 30914

ACCOUNTANT'S REPORTS AND SUPPLEMENTAL INFORMATION

Taliaferro County, Georgia
Statement of Revenues, Expenditures, and Change in Fund Balance - General Fund
For the year ended June 30, 2012

	Amended Budget	Actual	Variance
Revenues			
Taxes	$ 1,570,357	$ 1,570,357	$ -
Licenses and Permits	$ 1,700	$ 1,700	$ -
Intergovernmental Revenues	$ 89,321	$ 89,321	$ -
Charges for Services	$ -	$ -	$ -
Fines and Fees	$ 809,981	$ 809,981	$ -
Miscellaneous	$ 53,205	$ 53,205	$ -
Total Revenues	$ 2,524,563	$ 2,524,563	$ -
Expenditures			
Current Operating			
General Government	$ 688,127	$ 688,127	$ -
Court System	$ 251,939	$ 251,939	$ -
Public Safety	$ 934,575	$ 934,575	$ -
Highways, Roads, and Bridges	$ 258,678	$ 258,678	$ -
Solid Waste Management	$ 115,106	$ 115,106	$ -
Health and Welfare	$ 151,882	$ 151,882	$ -
Culture and Recreation	$ 14,191	$ 14,191	$ -
Industrial Development	$ 6,977	$ 6,977	$ -
Natural Resources	$ 11,221	$ 11,221	$ -
Total Expenditures	$ 2,432,697	$ 2,432,697	$ -
Capital Expenditures			
General Government	$ -	$ -	$ -
Court System	$ -	$ -	$ -
Public Safety	$ -	$ -	$ -
Highways, Roads, and Bridges	$ -	$ -	$ -
Solid Waste Management	$ -	$ -	$ -
Health and Welfare	$ -	$ -	$ -
Culture and Recreation	$ -	$ -	$ -
Industrial Development	$ -	$ -	$ -
Natural Resources	$ -	$ -	$ -
Buildings	$ -	$ -	$ -
Total Capital Expenditures	$ -	$ -	$ -
Excess (Deficiency) of Revenues over Expenditures	$ 91,867	$ 91,867	$ -
Other Financing Sources (Uses)			
Transfers	$ (12,748)	$ (12,748)	
SPLOST Interest		$ -	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	$ 79,118	$ 79,118	
Fund Balance beginning of year	$ -	$ 1,634,256	$ -
Fund Balance end of year	$ -	$ 1,713,374	$ -

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

Taliaferro County, Georgia

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual Versus Budget - All Special Revenue Funds

For the year ended June 30, 2011

	E-911			Sec. 5311 Transport			Drug Abuse Treatment			Sheriff's Condemnation		
	Budget	Actual	Varience	Budget	Actual	Varience	Budget	Actual	Varience	Budget	Actual	Varience
Revenues												
Receipts	$ 14,016	$ 14,016	$ -	$ 28,194	$ 28,194	$ -	$ 1,036	$ 1,036	$ -	$ 50,299	$ 50,299	$ -
Interest Earned/Other Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenues	$ 14,016	$ 14,016	$ -	$ 28,194	$ 28,194	$ -	$ 1,036	$ 1,036	$ -	$ 50,299	$ 50,299	$ -
Expenditures												
Equipment, repairs, and maintenance	$ -	$ -	$ -	$ 40,942	$ 40,942	$ -	$ -	$ -	$ -	$ 27,220	$ 27,220	$ -
Fuel, Oil, Grease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,554	$ 3,554	$ -
Other	$ 14,016	$ 14,016	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,069	$ 6,069	$ -
Total Expenditures	$ 14,016	$ 14,016	$ -	$ 40,942	$ 40,942	$ -	$ -	$ -	$ -	$ 36,843	$ 36,843	$ -
Excess (Deficiency) of Revenues over Expenditures	$ -	$ -	$ -	$ (12,748)	$ (12,748)	$ -	$ 1,036	$ 1,036	$ -	$ -	$ 13,456	
Transfers From (To) Other Funds												
Transfer From General Fund	$ -	$ -	$ -	$ -	$ 12,748	$ -	$ -	$ -	$ -	$ -	$ -	
Fund Balance beginning of year		$ -			$ -			$ 51,020			$ -	
Fund Balance end of year		$ -			$ -			$ 52,056			$ 13,456	

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

Taliaferro County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual Versus Budget - All Special Revenue Funds
For the year ended June 30, 2011

Budget	EIP RLF Revolving Actual	Varience	Totals Actual
$ -	$ -	$ -	$ 93,545
$ 6	$ 6	$ -	$ 6
$ 6	$ 6	$ -	$ 93,551
$ -	$ -	$ -	$ 68,162
$ -	$ -	$ -	$ 3,554
$ -	$ -	$ -	$ 20,085
$ -	$ -	$ -	$ 91,802
$ -	$ 6	$ -	$ 1,749
$ -	$ -	$ -	$ 12,748
	$ 2,822		$ 53,842
	$ 2,828		$ 68,340

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

Taliaferro County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual Versus Budget - All Capital Projects Funds
For the year ended June 30, 2012

	SPLOST			CDBG			Total		
	Budget	Actual	Varience	Budget	Actual	Varience	Budget	Actual	Varience
Revenues									
Receipts	$ 102,130	$ 102,130	$ -	$ -	$ -	$ -	$ 102,130	$ 102,130	$ -
Interest Earned/Other Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenues	$ 102,130	$ 102,130	$ -	$ -	$ -	$ -	$ 102,130	$ 102,130	$ -
Capital Expenditures									
Equipment, repairs, and maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fuel, Oil, Grease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	$ 66,214	$ 66,214	$ -	$ -	$ -	$ -	$ 66,214	$ 66,214	$ -
Total Expenditures	$ 66,214	$ 66,214	$ -	$ -	$ -	$ -	$ 66,214	$ 66,214	$ -
Excess (Deficiency) of Revenues over Expenditures	$ 35,915	$ 35,915	$ -	$ -	$ -	$ -	$ 35,915	$ 35,915	$ -
Transfers From (To) Other Funds									
Transfer From General Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fund Balance beginning of year		$ 244,374			$ -			$ 244,374	
Prior Period Adjustment									
Fund Balance end of year		$ 280,289			$ -			$ 280,289	

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

GENERAL FUND

Taliaferro County, Georgia
Balance Sheet - General Fund
June 30, 2012

Assets	
Cash	$ 1,802,404
Taxes Receivable	$ -
Due from State of Georgia	$ -
Due from other Funds	$ -
Total Assets	$ 1,802,404
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	$ 89,030
Due to other funds	$ -
Timber Tax Liability	$ -
Due to other governments	$ -
Total Liabilities	$ 89,030
Fund Balance	
Restricted fund balance	$ -
Unassigned fund balance	$ 1,713,374
Total Liabilities and Fund Balance	$ 1,802,404

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

Talliaferro County, Georgia
Statement of Revenues, Expenditures, and Change in Fund Balance - General Fund
For the year ended June 30, 2012

	Amended Budget	Actual	Variance
Revenues			
Taxes	$ 1,570,357	$ 1,570,357	$ -
Licenses and Permits	$ 1,700	$ 1,700	$ -
Intergovernmental Revenues	$ 89,321	$ 89,321	$ -
Charges for Services	$ -	$ -	$ -
Fines and Fees	$ 809,981	$ 809,981	$ -
Miscellaneous	$ 53,205	$ 53,205	$ -
Total Revenues	$ 2,524,563	$ 2,524,563	$ -
Expenditures			
Current Operating			
General Government	$ 688,127	$ 688,127	$ -
Court System	$ 251,939	$ 251,939	$ -
Public Safety	$ 934,575	$ 934,575	$ -
Highways, Roads, and Bridges	$ 258,678	$ 258,678	$ -
Solid Waste Management	$ 115,106	$ 115,106	$ -
Health and Welfare	$ 151,882	$ 151,882	$ -
Culture and Recreation	$ 14,191	$ 14,191	$ -
Industrial Development	$ 6,977	$ 6,977	$ -
Natural Resources	$ 11,221	$ 11,221	$ -
Total Expenditures	$ 2,432,697	$ 2,432,697	$ -
Capital Expenditures			
General Government	$ -	$ -	$ -
Court System	$ -	$ -	$ -
Public Safety	$ -	$ -	$ -
Highways, Roads, and Bridges	$ -	$ -	$ -
Solid Waste Management	$ -	$ -	$ -
Health and Welfare	$ -	$ -	$ -
Culture and Recreation	$ -	$ -	$ -
Industrial Development	$ -	$ -	$ -
Natural Resources	$ -	$ -	$ -
Buildings	$ -	$ -	$ -
Total Capital Expenditures	$ -	$ -	$ -
Excess (Deficiency) of Revenues over Expenditures	$ 91,867	$ 91,867	$ -
Other Financing Sources (Uses)			
Transfers	$ (12,748)	$ (12,748)	
SPLOST Interest		$ -	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	$ 79,118	$ 79,118	
Fund Balance beginning of year	$ -	$ 1,634,256	$ -
Fund Balance end of year	$ -	$ 1,713,374	$ -

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

SPECIAL REVENUE FUND

Taliaferro County, Georgia
Combining Balance Sheet - All Special Revenue Funds
For the year ended June 30, 2012

	E-911	Sec. 5311 Transport	Drug Abuse Treatment	Sheriff Condem	EIP RLF Revolving Loan Acct.	Totals
Assets						
Cash	$ -	$ -	$ 52,056	$ 75,148	$ 2,828	$ 130,032
Loan Receivable	$ -	$ -	$ -	$ -	$ -	$ -
Due from other funds	$ -	$ -	$ -	$ -	$ -	$ -
Due From State of Georgia	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ 52,056	$ 75,148	$ 2,828	$ 130,032
Liabilities and Fund Balance						
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other Funds	$ -	$ -	$ -	$ -	$ -	$ -
Fund Balance:						
Designated for Statutory and Other Purposes	$ 0	$ -	$ 52,056	$ 75,148	$ 2,828	$ 130,032
Total Liabilities and Fund Balance	$ 0	$ -	$ 52,056	$ 75,148	$ 2,828	$ 130,032

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

Taliaferro County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Special Revenue Funds
For the year ended June 30, 2012

	E-911	Sec. 5311 Transport	Drug Abuse Treatment	Sheriff Condem	EIP RLF Revolving Loan Acct.	Totals
Revenues						
Receipts	$ 14,016	$ 28,194	$ 1,036	$ 50,299	$ -	$ 93,545
Interest Earned/Other Receipts	$ -	$ -	$ -	$ -	$ 6	$ 6
Total Revenues	$ 14,016	$ 28,194	$ 1,036	$ 50,299	$ 6	$ 93,551
Expenditures						
Equipment, repairs, and maintenance	$ -	$ 3,011	$ -	$ 27,220	$ -	$ 30,231
Fuel, Oil, Grease	$ -	$ 14,606	$ -	$ 3,554	$ -	$ 18,160
Other	$ 14,016	$ 23,326	$ -	$ 6,069	$ -	$ 43,411
Total Expenditures	$ 14,016	$ 40,942	$ -	$ 36,843	$ -	$ 91,802
Excess (Deficiency) of Revenues over Expenditur	$ -	$ (12,748)	$ 1,036	$ 13,456	$ 6	$ 1,749
Transfers From (To) Other Funds						
Transfer From General Fund	$ -	$ 12,748	$ -	$ -	$ -	$ 12,748
Fund Balance beginning of year	$ -	$ -	$ 51,020	$ 61,692	$ 2,822	$ 115,534
Fund Balance end of year	$ -	$ -	$ 52,056	$ 75,148	$ 2,828	$ 130,032

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

Taliaferro County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual Versus Budget - All Special Revenue Funds
For the year ended June 30, 2011

	E-911			Sec. 5311 Transport			Drug Abuse Treatment			Sheriff's Condemnation		
	Budget	Actual	Varience	Budget	Actual	Varience	Budget	Actual	Varience	Budget	Actual	Varience
Revenues												
Receipts	$ 14,016	$ 14,016	$ -	$ 28,194	$ 28,194	$ -	$ 1,036	$ 1,036	$ -	$ 50,299	$ 50,299	$ -
Interest Earned/Other Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenues	$ 14,016	$ 14,016	$ -	$ 28,194	$ 28,194	$ -	$ 1,036	$ 1,036	$ -	$ 50,299	$ 50,299	$ -
Expenditures												
Equipment, repairs, and maintenance	$ -	$ -	$ -	$ 40,942	$ 40,942	$ -	$ -	$ -	$ -	$ 27,220	$ 27,220	$ -
Fuel, Oil, Grease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,554	$ 3,554	$ -
Other	$ 14,016	$ 14,016	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,069	$ 6,069	$ -
Total Expenditures	$ 14,016	$ 14,016	$ -	$ 40,942	$ 40,942	$ -	$ -	$ -	$ -	$ 36,843	$ 36,843	$ -
Excess (Deficiency) of Revenues over Expenditures	$ -	$ -	$ -	$ (12,748)	$ (12,748)	$ -	$ 1,036	$ 1,036	$ -	$ -	$ 13,456	
Transfers From (To) Other Funds												
Transfer From General Fund	$ -	$ -	$ -	$ -	$ 12,748	$ -	$ -	$ -	$ -	$ -	$ -	
Fund Balance beginning of year		$ -			$ -			$ 51,020			$ -	
Fund Balance end of year		$ -			$ -			$ 52,056			$ 13,456	

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

Taliaferro County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual Versus Budget - All Special Revenue Funds
For the year ended June 30, 2011

	EIP RLF Revolving		Totals
Budget	Actual	Varience	Actual
$ -	$ -	$ -	$ 93,545
$ 6	$ 6	$ -	$ 6
$ 6	$ 6	$ -	$ 93,551
$ -	$ -	$ -	$ 68,162
$ -	$ -	$ -	$ 3,554
$ -	$ -	$ -	$ 20,085
$ -	$ -	$ -	$ 91,802
$ -	$ 6	$ -	$ 1,749
$ -	$ -	$ -	$ 12,748
	$ 2,822		$ 53,842
	$ 2,828		$ 68,340

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

Taliaferro County, Georgia
Statement of Revenues, Expenditures, and Change in Fund Balance - Section 5311 Program
For the year ended June 30, 2012

	Budget	Actual	Variance
Revenues			
State of Georgia:			
Department of Transportation	$ 18,222	$ 18,222	$ -
Department of Medical Assistance (CSRA)	$ 9,972	$ 9,972	$ -
	$ 28,194	$ 28,194	$ -
Other Purchase of Service Revenue	$ -	$ -	$ -
Participant Contributions	$ -	$ -	$ -
Total Revenues	$ 28,194	$ 28,194	$ -
Expenditures			
Administrative Expenditures:			
Personal Services	$ -	$ -	$ -
Vehicle Insurance	$ -	$ -	$ -
Audit Fees	$ -	$ -	$ -
	$ -	$ -	$ -
Operating Expenditures:			
Personal Services	$ 23,326	$ 23,326	$ -
Fuel & Oil	$ 14,606	$ 14,606	$ -
Vehicle tires and Maint.	$ 3,011	$ 3,011	$ -
	$ 40,942	$ 40,942	$ -
Non-Reimbursable Expenditures	$ -	$ -	$ -
Total Expenditures	$ 40,942	$ 40,942	$ -
Excess (Deficiency) of Revenues over Expenditures	$(12,748)	$(12,748)	$ -
Other Financing Sources (Uses)			
Transfers from (to) General Fund	$ -	$ 12,748	$ -
Net Funds Available	$ -	$ -	$ -
Fund Balance beginning of year	$ -	$ -	$ -
Fund Balance end of year	$ -	$ -	$ -

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

Capital Projects Funds

Taliaferro County, Georgia
Combining Balance Sheet - All Capital Projects Funds
For the year ended June 30, 2012

	SPLOST	CDBG	TOTAL
Assets			
Cash	$ 286,016	$ -	$ 286,016
Loan Receivable	$ -	$ -	$ -
Due from other funds	$ -	$ -	$ -
Due From State of Georgia	$ -	$ -	$ -
Total	$ 286,016	$ -	$ 286,016
Liabilities and Fund Balance			
Accounts Payable	$ -	$ -	$ -
Due to other Funds	$ -	$ -	$ -
Fund Balance:			
Designated for Statutory and Other Purposes	$ 286,016	$ -	$ 286,016
Total Liabilities and Fund Balance	$ 286,016	$ -	$ 286,016

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

Taliaferro County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Capital Projects Funds
For the year ended June 30, 2012

	SPLOST	CDBG	Totals
Revenues			
Receipts	$ 107,857	$ -	$ 107,857
Interest Earned/Other Receipts	$ -	$ -	$ -
Total Revenues	$ 107,857	$ -	$ 107,857
Expenditures			
Equipment, repairs, and maintenance	$ -	$ -	$ -
Fuel, Oil, Grease	$ -	$ -	$ -
Other	$ 66,214	$ -	$ 66,214
Total Expenditures	$ 66,214	$ -	$ 66,214
Excess (Deficiency) of Revenues over Expenditur	$ 41,642	$ -	$ 41,642
Transfers From (To) Other Funds			
Transfer From General Fund	$ -	$ -	$ -
Fund Balance beginning of year	$ 244,374	$ -	$ 244,374
Fund Balance end of year	$ 286,016	$ -	$ 286,016

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

Taliaferro County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual Versus Budget - All Capital Projects Funds
For the year ended June 30, 2012

	SPLOST			CDBG			Total		
	Budget	Actual	Varience	Budget	Actual	Varience	Budget	Actual	Varience
Revenues									
Receipts	$ 102,130	$ 102,130	$ -	$ -	$ -	$ -	$ 102,130	$ 102,130	$ -
Interest Earned/Other Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenues	$ 102,130	$ 102,130	$ -	$ -	$ -	$ -	$ 102,130	$ 102,130	$ -
Capital Expenditures									
Equipment, repairs, and maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fuel, Oil, Grease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	$ 66,214	$ 66,214	$ -	$ -	$ -	$ -	$ 66,214	$ 66,214	$ -
Total Expenditures	$ 66,214	$ 66,214	$ -	$ -	$ -	$ -	$ 66,214	$ 66,214	$ -
Excess (Deficiency) of Revenues over Expenditures	$ 35,915	$ 35,915	$ -	$ -	$ -	$ -	$ 35,915	$ 35,915	$ -
Transfers From (To) Other Funds									
Transfer From General Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fund Balance beginning of year		$ 244,374			$ -			$ 244,374	
Prior Period Adjustment									
Fund Balance end of year		$ 280,289			$ -			$ 280,289	

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

AGENCY FUNDS

Taliaferro County, Georgia
Combining Balance Sheet - Agency Funds
June 30, 2012

	Clerk of Superior Court	Tax Commissioner	Probate Court	Sheriff	Magistrate Court	Totals
Assets						
Cash and Cash Equivalents	$ 36,918	$ 25,762	$ 106,017	$ 76,631	$ 1,893	$ 247,219
Total	$ 36,918	$ 25,762	$ 106,017	$ 76,631	$ 1,893	$ 247,219
Liabilities						
Due to State of Georgia	$ -	$ -	$ -	$ -	$ -	$ -
Due to Other Local Governments	$ -	$ 25,762	$ -	$ -	$ -	$ 25,762
Due to Other	$ 36,918	$ -	$ 106,017	$ 76,631	$ 1,893	$ 221,458
Total Liabilities	$ 36,918	$ 25,762	$ 106,017	$ 76,631	$ 1,893	$ 247,219
Fund Equity						
Fund Balance	$ 0	$ -	$ (0)	$ -	$ (0)	$ (0)
Total Fund Balance	$ 0	$ -	$ (0)	$ -	$ (0)	$ (0)
Total	$ 36,918	$ 25,762	$ 106,016	$ 76,631	$ 1,892	$ 247,219

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

Taliaferro County, Georgia
Combining Statement of Receipts, Expenditures, and Changes in Fund Balances - All Agency Funds
For the year ended June 30, 2012

	Clerk of Superior Court	Tax Commissioner	Probate Court	Sheriff	Magistrate Court	Totals
Receipts	$ 63,928	$ 1,764,232	$ 1,023,357	$ 72,655	$ 11,920	$ 2,936,092
Expenditures						
Intergovernmental	$ 23,422	$ 1,764,232	$ 966,610	$ 72,655	$ -	$ 2,826,920
Bonds			$ -	$ -		$ -
Other	$ 40,505		$ 56,747	$ -	$ 11,920	$ 109,172
Total Expenditures	$ 63,927	$ 1,764,232	$ 1,023,357	$ 72,655	$ 11,920	$ 2,936,092
Excess (Deficiency) of revenues over expenditures	$ 0	$ -	$ (0)	$ -	$ (0)	$ (0)
Beginning Fund Balance	$ -	$ -	$ -	$ -	$ -	$ -
Ending Fund Balance	$ 0	$ -	$ (0)	$ -	$ (0)	$ (0)

Statement of Federal and State Financial Assistance Received

Taliferro County, Georgia
Statement of Federal and State Financial Assistance Received
For the year ended June 30, 2012

Federal Grantor/Pass throug Grantor/Program Title	Federal CDFA Number	Pass-Through Grantor Number	Program or Award Amount	Beginning Balance 7/1/2011	Revenues Recognized	Expenditures	Ending Balance 6/30/2012
U.S. Department of Transportation							
State of Georgia: Department of Transportation/Urban mass transportation, Section 6311 - Funding for non-urbanized areas	20.509	GA-18-4031	$ 30,818	$ -	$ 30,818	$ 30,818	$ -
CSRA - RDC							
Title IIIB Transportation Services			$ 8,826	$ -	$ 8,826	$ 8,826	$ -
Title IIIC Congregate meals			$ 39,267	$ -	$ 39,267	$ 39,267	$ -
Georgia Department of Human Resources							
County Collaborative		427-93-11110015-99	$ 44,000	$ -	$ 44,000	$ 44,000	$ -
EPICS - WIA		15-11-11-07-013/13-1-Y-3	$ 33,000	$ -	$ 19,159	$ 19,159	$ -
Criminal Justice Coordinating Council							
Police Equipment		B11-8-021	$ 10,000		$ 10,000	$ 10,000	
TOTALS			$ 165,911	$ -	$ 152,070	$ 152,070	$ -

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

SPECIAL PURPOSE LOCAL OPTION SALES TAX

Taliaferro County, Georgia
Project Report - Special Purpose Local Option Sales Tax
For the year ended June 30, 2012

Num	Project	Original Estimated Cost	Current Estimated Cost	Expenditures		Total	Estimated Percentage of Completion
				Prior Years	Current Year		
1	For Roads & Bridges (4/1/2006 through 3/31/2012) Completed	$ 1,000,000	$ 1,362,728	$ 1,296,514	$ 66,214	$ 1,362,728	100.0%
2	For Roads and Bridges (04/01/2012 through 3/31/2017)	$ 1,000,000	$ 1,000,000	0	0	$ -	0.0%

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

Steven G. Albertson, CPA, PC
Certified Public Accountant

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

To the Board
Taliaferro County, Georgia

I have audited the financial statements of governmental activities, each major fund, the aggregate remaining fund information, and discretely presented component unit of Taliaferro County, Georgia, 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 and have issued my report thereon dated December 20, 2012. These financial statements are the responsibility of Taliaferro County, Georgia's, management. My report was modified to include a reference to other auditors. We did not audit the financial statements of the Taliaferro County Health Department, Georgia, as described in our report of Taliaferro County, Georgia's financial statements. This report does not include the result of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing our audit, I considered Taliaferro County, Georgia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. I noted no deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

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

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

Steven G. Albertson, CPA
Washington, Georgia
December 20, 2012

Steven G. Albertson
Certified Public Accountant
102 Court Street
Washington, Georgia 30673
(706) 678-1680

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE SALES AND USE TAX

Board of Commissioners
Taliaferro County, Georgia

I have audited the accompanying Project Report - Special Purpose Local Option Sales Tax of the Taliaferro County, Georgia, 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 and have issued my report thereon dated December 20, 2012. I conducted my 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.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the Project Report - Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Project Report - Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion. In the conduct of my audit, I verified and tested expenditures for the uses of funds, as identified in the resolution or ordinance calling for the imposition of the special purpose sales and use tax authorized by Section 48-8-110 OCGA.

The accompanying Project Report - Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Section 48-8-121 OCGA on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of Taliaferro County's revenues and expenditures.

In my opinion the accompanying Project Report - Special Purpose Local Option Sales Tax, which lists each identified project and information required by Section 48-8-121 OCGA presents fairly the original estimated cost of each project, expenditures incurred and the estimated percentage of completion of each project through June 30, 2012, the end of the fiscal year covered by this audit in conformity with accounting principles generally accepted in the United States of America.

This report is intended for the information and use of the audit committee, management, others within the organization, County Commissioners, and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

Steven G. Albertson, CPA
Washington, Georgia
December 20, 2012