TWIGGS COUNTY, GEORGIA

FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011
AND
INDEPENDENT AUDITORS' REPORT

TWIGGS COUNTY, GEORGIA
Financial Statements
For the Fiscal Year Ended December 31, 2011

TABLE OF CONTENTS

FINANCIAL SECTION

Independent Auditors' Report 1- 2

Basic Financial Statements:
- Government-wide Financial Statements:
  - Statement of Net Assets 3
  - Statement of Activities 4
- Fund Financial Statements:
  - Balance Sheet - Governmental Funds 5
  - Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets 6
  - Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 7-8
  - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 9
  - Statement of Fund Net Assets - Proprietary Fund 10
  - Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund 11
  - Statement of Cash Flows - Proprietary Fund 12
  - Statement of Fiduciary Assets and Liabilities - Fiduciary Funds 13
- Notes to Financial Statements ..... 14 - 35

Required Supplementary Information:
- Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget (GAAP Basis) and Actual - General Fund ..... 36 - 38
- Notes to Required Supplementary Information ..... 39 - 40

TWIGGS COUNTY, GEORGIA
Financial Statements
For the Fiscal Year Ended December 31, 2011

TABLE OF CONTENTS

Supplementary Information:
- Combining Balance Sheet - Nonmajor Governmental Funds 41
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds 42
- Combining Balance Sheet - Nonmajor Special Revenue Funds 43
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds 44
- Combining Statement of Fiduciary Assets and Liabilities - Agency Funds 45
- Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds ..... 46 - 47
- Schedule of Special Purpose Local Option Sales Tax Expenditures 48
- Community Development Block Grant Program Project Cost Schedule 49
- Community Development Block Grant Program - Source and Application of Funds Schedule 50
- Economic Development Administration Grant Program - Project Cost Schedule 51
- Economic Development Administration Grant Program - Source and Application of Funds Schedule 52

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards* ..... 53 – 54

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 ..... 55 - 56

Schedule of Expenditures of Federal Awards 57

Notes to Schedule of Expenditures of Federal Awards 58

Schedule of Findings and Questioned Costs ..... 59 - 62

Summary Schedule of Prior Audit Findings 63

Annual Report of 9-1-1 Expenditures ..... 64 – 66

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Chairman and
Members of the Board of Commissioners
Twiggs County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit - Twiggs County Health Department, each major fund, and the aggregate remaining fund information of Twiggs County, Georgia, as of and for the year ended December 31, 2011, which collectively comprise Twiggs County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Twiggs 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 Twiggs County Health Department, a component unit of the County, which statements reflect 100 percent each of the total assets, net assets and revenues of the discretely presented component units. Those financial statements 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 Twiggs County Health Department component unit, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of Twiggs County, Georgia, as of December 31, 2011, and the respective changes in the 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 our report dated July 03, 2012 on our consideration of Twiggs County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that budgetary comparison information as listed in the table of contents 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. The County has not presented the Management's Discussion and Analysis that accounting standards generally accepted in the United States of America require to supplement, although not to be a part of, the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Twiggs County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the schedule of special purpose local option sales tax expenditures, the annual report of 9-1-1 expenditures and other grant schedules listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of federal awards, the schedule of special purpose local option sales tax expenditures, and other grant schedules 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



July 03, 2012

TWIGGS COUNTY, GEORGIA
Statement of Net Assets
December 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Twiggs County Health Department
ASSETS:				
Cash	$ 2,000,523	$ 26,255	$ 2,026,778	$ 226,124
Receivables, net of allowance for uncollectibles:				
Taxes...	1,136,967	-	1,136,967	-
Accounts	164,651	16,084	180,735	8,482
Intergovernmental	217,305	-	217,305	3,718
Prepaid items	79,150	-	79,150	-
Inventories	52,102	-	52,102	-
Capital assets:				
Capital assets not being depreciated	2,984,585	900	2,985,485	-
Capital assets being depreciated, net of accumulated depreciation	9,151,486	2,998,040	12,149,526	-
TOTAL ASSETS	15,786,769	3,041,279	18,828,048	238,324
LIABILITIES:				
Accounts payable	367,327	1,149	368,476	7,806
Customer deposits	-	21,296	21,296	-
Payroll withholdings	2,512	-	2,512	-
Capital leases due within one year	152,826	-	152,826	-
Capital leases due after one year	584,610	-	584,610	-
Notes payable due within one year	120,623	90,724	211,347	-
Notes payable due after one year	55,083	1,421,335	1,476,418	-
Landfill postclosure care costs	216,539	-	216,539	-
Compensated absences due within one year	150,719	-	150,719	3,367
Compensated absences due after one year	-	-	-	15,304
TOTAL LIABILITIES	1,650,239	1,534,504	3,184,743	26,477
NET ASSETS:				
Invested in capital assets, net of related debt	11,222,929	1,486,881	12,709,810	-
Restricted for -				
Capital improvements	1,257,157	-	1,257,157	-
Unrestricted	1,656,444	19,894	1,676,338	211,847
TOTAL NET ASSETS	$ 14,136,530	$ 1,506,775	$ 15,643,305	$ 211,847

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

TWIGGS COUNTY, GEORGIA

Statement of Activities

For the Fiscal Year Ended December 31, 2011

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Twiggs County Health Department
PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES:								
General government	$ 2,444,741	$ 286,651	$ -	$ 521,102	$(1,636,988)	$ -	$(1,636,988)	$ -
Public safety	2,918,827	875,667	88,334	122,310	(1,832,516)	-	(1,832,516)	-
Highways and streets	1,722,950	-	-	-	(1,722,950)	-	(1,722,950)	-
Sanitation	153,127	600,258	-	-	447,131	-	447,131	-
Public health and welfare	419,401	46,029	-	-	(373,372)	-	(373,372)	-
Culture and recreation	81,058	-	-	-	(81,058)	-	(81,058)	-
Economic development	308,386	-	-	1,325	(307,061)	-	(307,061)	-
Interest	39,906	-	-	-	(39,906)	-	(39,906)	-
Total Governmental Activities	8,088,396	1,808,605	88,334	644,737	(5,546,720)	-	(5,546,720)	-
BUSINESS-TYPE ACTIVITIES -								
Water system	121,474	107,233	-	-	-	(14,241)	(14,241)	-
Total Business-Type Activities	121,474	107,233	-	-	-	(14,241)	(14,241)	-
TOTAL PRIMARY GOVERNMENT	$ 8,209,870	$ 1,915,838	$ 88,334	$ 644,737	(5,546,720)	(14,241)	(5,560,961)	-
COMPONENT UNIT -								
Twiggs County Health Department	$ 268,310	$ 90,244	$ 187,601	-	-	-	-	9,535
Total Component Unit	$ 268,310	$ 90,244	$ 187,601	$ -	-	-	-	9,535
General Revenues:								
Property taxes					3,540,845	-	3,540,845	-
Alcoholic beverage taxes					40,369	-	40,369	-
Vehicle taxes					344,964	-	344,964	-
Sales taxes					1,323,199	-	1,323,199	-
Other taxes					358,346	-	358,346	-
Interest earnings					3,386	75	3,461	2,992
Miscellaneous					319,549	-	319,549	-
Transfers					(31,135)	31,135	-	-
Total general revenues and transfers					5,899,523	31,210	5,930,733	2,992
Change in net assets					352,803	16,969	369,772	12,527
Net assets, beginning of year					13,752,355	1,509,477	15,261,832	199,320
Prior period adjustment					31,372	(19,671)	11,701	-
Net assets, beginning of year, as restated					13,783,727	1,489,806	15,273,533	199,320
Net assets, end of year					$ 14,136,530	$ 1,506,775	$ 15,643,305	$ 211,847

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

TWIGGS COUNTY, GEORGIA
Balance Sheet
Governmental Funds
December 31, 2011

	General	Capital Projects SPLOST 09	Capital Projects SPLOST	Capital Projects Academy Project	Public Library Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:							
Cash	$ 622,376	$ 263,642	$ 383,523	$ -	$ 531,545	$ 199,437	$ 2,000,523
Receivables, net of allowance for uncollectibles:							
Taxes	1,136,967	-	-	-	-	-	1,136,967
Accounts	153,410	-	-	-	-	11,241	164,651
Intergovernmental	56,435	67,678	-	68,414	-	24,778	217,305
Due from other funds	-	205,850	-	42,589	-	-	248,439
Prepaid items	79,150	-	-	-	-	-	79,150
Inventories	52,102	-	-	-	-	-	52,102
TOTAL ASSETS	$ 2,100,440	$ 537,170	$ 383,523	$ 111,003	$ 531,545	$ 235,456	$ 3,899,137
LIABILITIES AND FUND BALANCES							
LIABILITES:							
Accounts Payable	$ 272,660	$ 35,680	$ 22,490	$ -	$ -	$ 36,497	$ 367,327
Payroll withholdings	2,512	-	-	-	-	-	2,512
Due to other funds	-	-	180,025	68,414	-	-	248,439
Deferred Revenue	793,258	-	-	-	-	-	793,258
TOTAL LIABILTIES	1,068,430	35,680	202,515	68,414	-	36,497	1,411,536
FUND BALANCES:							
Nonspendable:							
Prepaid Items	79,150	-	-	-	-	-	79,150
Inventory	52,102	-	-	-	-	-	52,102
Restricted for:							
Public Safety	-	-	-	-	-	88,912	88,912
Law Library	-	-	-	-	-	109,522	109,522
Capital Projects	-	501,490	181,008	42,589	531,545	525	1,257,157
Unassigned:							
General Fund	900,758	-	-	-	-	-	900,758
TOTAL FUND BALANCES	1,032,010	501,490	181,008	42,589	531,545	198,959	2,487,601
TOTAL LIABILITIES AND FUND BALANCES	$ 2,100,440	$ 537,170	$ 383,523	$ 111,003	$ 531,545	$ 235,456	$ 3,899,137

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

TWIGGS COUNTY, GEORGIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
December 31, 2011

Difference in amounts reported for governmental activities in the statement of net assets:		
Fund balances - total governmental funds	$	2,487,601
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds		12,136,071
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Liability for compensated absences	(	150,719)
Liability for landfill postclosure costs	(	216,539)
Long-term notes and leases payable are not due and payable in the current period and are therefore not reported in the funds	(	913,142)
Some governmental revenues will not be collected for several months after the year end and are deferred in the governmental funds		793,258
Net assets of governmental activities	$	14,136,530

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

TWIGGS COUNTY, GEORGIA

Statement of Revenues, Expenditures and Changes
In Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2011

	General	Capital Projects SPLOST 09	Capital Projects SPLOST	Capital Projects Academy Project	Public Library Building Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes	$ 4,931,794	$ 751,749	$ -	$ -	$ -	-	$ 5,683,543
Licenses and permits	43,775	-	-	-	-	-	43,775
Intergovernmental	99,782	-	-	230,958	-	412,454	743,194
Fines and forfeitures	648,066	-	-	-	-	183,308	831,374
Charges for services	862,682	-	-	-	-	65,256	927,938
Interest earnings	1,357	860	465	-	261	1,767	4,710
Miscellaneous	314,901	-	-	-	-	4,508	319,409
Total Revenues	6,902,357	752,609	465	230,958	261	667,293	8,553,943
EXPENDITURES:							
Current:							
General government	2,284,392	-	-	-	-	15,476	2,299,868
Public safety	2,572,424	-	-	-	-	383,821	2,956,245
Highways and streets	983,683	-	-	-	-	-	983,683
Sanitation	182,818	-	-	-	-	-	182,818
Public health and welfare	408,161	-	-	-	-	-	408,161
Culture and recreation	22,298	-	-	-	-	-	22,298
Economic Development	70,000	-	-	-	-	-	70,000
Capital outlay	-	948,527	128,070	243,986	46,259	289,719	1,656,561
Debt service:							
Principal	189,474	36,731	-	-	-	80,096	306,301
Interest	17,731	6,838	-	-	-	15,337	39,906
Total Expenditures	6,730,981	992,096	128,070	243,986	46,259	784,449	8,925,841
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	171,376	(239,487)	(127,605)	(13,028)	(45,998)	(117,156)	(371,898)

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

TWIGGS COUNTY, GEORGIA

Statement of Revenues, Expenditures and Changes
In Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2011

	General	Capital Projects SPLOST 09	Capital Projects SPLOST	Capital Projects Academy Project	Public Library Building Fund	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	49,479	49,479
Transfers (out)	(80,614)	-	-	-	-	-	(80,614)
Issuance of capital leases	280,887	-	-	-	-	28,146	309,033
Issuance of notes payable	125	-	-	-	-	-	125
Total Other Financing Sources (Uses)	200,398	-	-	-	-	77,625	278,023
NET CHANGE IN FUND BALANCES	371,774	(239,487)	(127,605)	(13,028)	(45,998)	(39,531)	(93,875)
FUND BALANCES, BEGINNING OF YEAR	660,236	740,977	308,613	55,617	577,543	238,490	2,581,476
FUND BALANCES, END OF YEAR	$ 1,032,010	$ 501,490	$ 181,008	$ 42,589	$ 531,545	$ 198,959	$ 2,487,601

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

TWIGGS COUNTY, GEORGIA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2011

Difference in amounts reported for governmental activities in the statement of activities:		
Net change in fund balances - total governmental funds	$(	93,875)
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net assets		1,360,292
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities	(	610,415)
Repayment of long-term debt is reported as an expenditure in governmental funds, but a reduction of long-term liabilities in the statement of net assets		306,301
The issuance of long-term debt is reported as an other financing source in governmental funds, but as an increase in long-term liabilities in the statement of net assets	(	309,158)
Some governmental revenues will not be collected for several months after the year end and are deferred in the governmental funds:		
Deferred revenue balance at current fiscal year end		793,258
Deferred revenue balance at prior fiscal year end	(	874,867)
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Therefore, the change in net assets differs from the change in fund balance by the cost basis of the capital assets sold	(	252,235)
Expenses for compensated absences are reported for governmental activities but do not require the use of current financial resources and therefore are not reported as expenditures for governmental funds:		
Liability balance at current fiscal year end	(	150,719)
Liability balance at prior fiscal year end		154,530
Landfill postclosure expenses are reported for governmental activities but do not require the use of current financial resources and therefore are not reported as expenditures for governmental funds:		
Liability balance at current fiscal year end	(	216,539)
Liability balance at prior fiscal year end		246,230
Changes in net assets of governmental activities	$	352,803

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

TWIGGS COUNTY, GEORGIA
Statement of Fund Net Assets
Proprietary Fund
December 31, 2011

	Enterprise Water
ASSETS:	
Current Assets:	
Cash	$ 26,255
Receivables, net of allowance for uncollectibles	16,084
Total current assets	42,339
Noncurrent Assets:	
Capital assets, not being depreciated	900
Capital assets, being depreciated, net of accumulated depreciation	2,998,040
Total noncurrent assets	2,998,940
Total Assets	$ 3,041,279
LIABILITIES:	
Current Liabilities:	
Accounts payable	$ 1,149
Customer Deposits	21,296
Notes payable	90,724
Total Current Liabilities	113,169
Noncurrent Liabilities-	
Notes payable due after one year	1,421,335
Total Liabilities	1,534,504
NET ASSETS:	
Invested in capital assets, net of related debt	1,486,881
Unrestricted	19,894
Total Net Assets	$ 1,506,775

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

TWIGGS COUNTY, GEORGIA

Statement of Revenues, Expenses and
Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended December 31, 2011

	Enterprise Water
OPERATING REVENUES-	
Charges for services	$ 107,233
Total Operating Revenues	107,233
OPERATING EXPENSES:	
Salaries	32,725
Travel and meetings	1,278
Utilities	1,457
Service charges	45
Supplies and repairs	15,623
Permits and fees	3,090
Miscellaneous	364
Depreciation	66,892
Total Operating Expenses	121,474
OPERATING INCOME (LOSS)	(14,241)
NON-OPERATING REVENUE (EXPENSE)-	
Interest income	75
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(14,166)
TRANSFERS:	
Transfers in	31,135
Transfers out	-
Total Transfers	31,135
Change in Net Assets	16,969
NET ASSETS, BEGINNING OF YEAR	1,509,477
PRIOR PERIOD ADJUSTMENT	(19,671)
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	1,489,806
NET ASSETS, END OF YEAR	$ 1,506,775

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

TWIGGS COUNTY, GEORGIA
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended December 31, 2011

	Enterprise Water
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers and users	$ 105,632
Cash paid to suppliers	(21,168)
Cash paid to employees	(32,725)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	51,739
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from other funds	31,135
Transfer to other funds	-
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	31,135
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES-	
Principal payments on notes	(90,724)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(90,724)
CASH FLOWS FROM INVESTING ACTIVITIES-	
Interest income	75
NET CASH PROVIDED BY INVESTING ACTIVITIES	75
Net Increase (Decrease) in Cash	(7,775)
CASH, BEGINNING OF YEAR	34,030
CASH, END OF YEAR	$ 26,255
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES-	
Operating Income (Loss)	$(14,241)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Depreciation	66,892
(Increase) in accounts receivable	(3,227)
Increase in accounts payable	690
Increase in customer deposits	1,625
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 51,739

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

TWIGGS COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2011

	Agency Funds
ASSETS:	
Cash	$ 471,332
Taxes receivable	2,291,301
Total Assets	$ 2,762,633
LIABILITIES -	
Accounts payable	$ 2,762,633
Total Liabilities	$ 2,762,633

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Twiggs County, Georgia have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The County applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. The Reporting Entity

The County operates under an elected Board of Commissioners form of government. In conformity with generally accepted accounting principles (GAAP), the financial statements of component units must be included either as blended or discretely presented component units. The criterion for including organizations within the reporting entity is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Blended component units, although legally separate entities, are, in substance, part of the Government's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government. Based on the GASB criteria, Twiggs County Health Department is included in the government-wide financial statements as a discretely presented component unit.

B. Discretely Presented Component Unit

Twiggs County Public Health Department - The Twiggs County Health Department (the Department) provides various health services for citizens in Twiggs County under a contract with the Georgia Department of Human Resources (DHR). Under this contractual agreement DHR provides certain administrative and other services to the Department in addition to the grant-in-aid funding. These services are funded through other governmental entities or directly by DHR. Based on the contract with DHR, capital assets cannot be disposed of without approval of DHR. In the event the Department were to dissolve, all capital assets would return to DHR or to the donating agency. Substantially all of the Department's capital assets are titled to DHR.

It is the goal of Twiggs County Health Department to provide health services for the citizens of Twiggs County within the guidelines established by the Twiggs County Board of Public Health and the Georgia Department of Human Resources. The Department is responsible for health programs designed for prevention, early detection, treatment and referral.

The Department uses the flow of current financial resources measurement focus and the modified accrual basis of accounting. The amounts included in these financial statements are as of and for the fiscal year ended June 30, 2011.

The complete audited financial statements of the Twiggs County Health Department may be obtained from the office of Twiggs County Board of Commissioners.

C. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non fiduciary activities of the County (the primary government) and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The County has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and certain compensated absences and claims and judgments are recorded when due.

Revenues considered susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The County reports the following major governmental funds:

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

The 2009 Special Purpose Local Option Sales Tax Capital Projects Fund (SPLOST 09) accounts for capital outlay and other transactions related to the additional one-percent local option sales tax currently in effect.

The Special Purpose Local Option Sales Tax Capital Projects Fund (SPLOST) accounts for capital outlay and other transactions related to the additional one-percent local option sales tax which was in effect under a referendum dated September 16, 2003.

The Academy Project Capital Projects Fund accounts for capital outlay and other transactions related to a construction project to serve the Twiggs County Industrial Park funded with a Community Development Block Grant, Employment Incentive Program Funds, OneGeorgia Edge

Funds, and U. S. Department of Commerce Economic Development Administration Funds. The Development Authority of the City of Jeffersonville and Twiggs County owns the land on which the project is being constructed and passes through grant funds awarded to the Authority to Twiggs county. This is a joint project between Twiggs County and the Development Authority.

The Public Library Building Fund Capital Projects Fund was established to account for capital outlay and other transactions related to the construction of a new local public library building.

The County reports the following major proprietary fund in its financial statements:

The Water Fund is used to account for the provision of water services to residents of one small community within the County. All activities necessary to provide such services are accounted for in the fund, including but not limited to, administration, operation, and billing and collections.

The County also reports the following other fund types:

The Fiduciary Funds account for assets held by the County as an agent on behalf of others. Agency funds account for resources held by the County or its officials in a custodial capacity. The following are the agency funds: Superior Court, Probate Court, Tax Commissioner, Magistrate, Sheriff, Tax Assessor and Emergency Management.

The business-type activities financial statements of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions and Accounting Research Bulletins, unless those pronouncements, known as private-sector guidance, conflict with GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business type activities and enterprise funds, unless those pronouncements conflict with or contradict GASB pronouncements. The County has elected not to follow subsequent private sector guidance.

Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as taxes, subsidies and investment activities result from non exchange transactions. The principal operating revenue of the County's proprietary fund is charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Nonoperating expenses include interest on debt and all other expenses not meeting the definition of operating expenses. Amounts paid to acquire capital assets in the fund financial statements are reported as expenditures in the governmental funds and as increase in capital assets balances in the proprietary funds.

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

- Committed
- Assigned
- Unassigned

E. Fund Financial Statements

The accounts of the County's reporting entity are organized on the basis of separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use, and balances of the County's expendable financial resources and the related liabilities are accounted for through governmental funds. Governmental Funds are accounted for on a flow of current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The County's governmental funds include the general fund, capital projects funds, and special revenue funds.

Proprietary Funds

Proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and liabilities are included on the balance sheet. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non exchange transactions, such as interest earnings and subsidies, are reported as non-operating revenues.

Amounts paid to acquire capital assets in the fund financial statements are reported as an increase in assets. Proceeds of long-term debt are recorded as a liability in the fund financial statements. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liability. Proprietary funds include enterprise funds and internal service funds.

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income as appropriate for capital maintenance, public property, management control, accountability, or other purposes. The County's enterprise fund is the Water Fund.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the County in a trustee capacity for the County or as an agent for other governmental units or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

F. Concentrations of Credit Risk

The County's Water Fund and the General Fund garbage services serve customers within the County. The balance of receivables is composed mostly of residential and smaller commercial accounts. The County does not expect to incur significant losses as a result of these receivables. The fund has one major customer, Academy Sports, which accounts for 33 percent of total revenue in the current year. Management believes that the allowance for uncollectibles is adequate to cover all anticipated future losses on these receivables.

G. Cash Flows

For purposes of the statement of cash flows, the Primary Government Water Fund considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

H. Inventory

Supplies inventory of the County's reporting entity is considered immaterial to financial position and, accordingly, is not recorded. Expendable supplies are recorded as expenditures or expenses at the time items are purchased. Fuel inventory is valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The consumption method is currently used to account for fuel inventory. Under the consumption method, inventory items are recognized as expenditures when used. In prior years, fuel inventory was considered immaterial to financial position and fuel expenditures or expenses were recognized at the time fuel was purchased. During the current year, the County changed its policy regarding fuel inventory and began maintaining a significant inventory of fuel. As a result of the change in policy, fuel inventory was recorded as of the end of the current year.

I. Use of Estimates

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

J. Advertising Costs

Advertising costs are recorded as expenditures or expenses, as appropriate, in the period incurred. Advertising costs are not capitalized by the County.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired prior to July 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003.

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

Major outlays for capital and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the assets' estimated useful lives as follows:

Asset Class	Estimated Useful Lives In Years	Capitalization Threshold
Buildings	50	$ 15,000
Building Improvements	20	$ 5,000
Machinery and equipment	3-10	$ 1,000
Water system lines	30-50	$ 1,500
Infrastructure	30	$ 10,000

L. Accumulated Unpaid Vacation, Sick Pay and Other Employee Benefits

Primary Government

Annual leave is awarded as follows:
- After one (1) year of service - five (5) working days
- After three (3) years of service - ten (10) working days
- After eight (8) years of service - fifteen (15) working days
- After fifteen (15) years of service - twenty (20) working days

Funeral leave is available at up to three (3) days for immediate family only. Military leave for military service is allowed but employee shall not be compensated for such absence. Civil leave is allowed with pay for service as a juror, or other duty required by law.

Sick leave shall be allowed to all eligible employees for employee sickness, disability, or for medical, dental, or eye examination and treatment that cannot be scheduled outside of normal working hours. Accrual shall be at the rate of one (1) full day (eight hours) per month, for a total of twelve such days per year. Sick leave can be carried over to a subsequent year at 50% of the total accumulated hours with no limitation. If an employee should retire with the County, the employee's total accrued sick leave may, at the employee's option, be credited to years of service in lieu of receiving a 50% cash payment.

Component Unit

Annual and sick leave costs are charged to operations at the time the expenditure is made.

Employees can earn annual leave at the rate of ten (10) hours per month during the first five (5) years of employment; twelve (12) hours per month after five (5) through ten (10) years of employment; and fourteen (14) hours per month after ten (10) years of employment. There is no requirement that annual leave be taken, but the maximum accumulation is forty-five (45) days. At termination, employees are paid for any accumulated annual leave. The liability for accumulated annual leave at June 30, 2011, has been recorded as a liability in the component unit financial statements.

Employees accumulate sick leave at the rate of ten (10) hours per month. The maximum permissible accumulation is ninety (90) days. Forfeited leave is accumulated and according to certain provisions can be utilized for extended major illnesses and retirement. No sick leave benefits are paid upon employee termination. Accumulated sick leave benefits have not been recorded as a liability because these benefits are paid only upon the illness of an employee, and the amount of such payments cannot be reasonably estimated.

M. Prepaid Items

Prepaid items are recorded as expenditures in the governmental funds during the period benefitted.

N. Long-Term Obligations

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

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

O. Fund Equity

Government-wide Statements
Equity is classified as net assets and displayed in three components:

a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net assets -Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net assets - All other net assets that do not meet the definition of "invested in capital assets, net of related debt" or "Restricted".

Fund Statements
Governmental fund equity is classified as fund balance. Generally, fund balance represents the difference between 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 County Commissioners through the approval of a motion. Only the County 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 County Commissioners can authorize a 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 criteria. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Proprietary fund equity is classified the same as in the government-wide statements.

P. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Q. Allowance for Uncollectible Accounts

Allowances for uncollectible accounts are maintained for all types of receivables which historically experience uncollectible accounts.

R. Post-employment health care benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the County under this program.

2. CASH AND INVESTMENTS

Cash

Primary Government

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Government may not be able to recover its deposits or recover collateral securities in the possession of an outside party. The County does not have a deposit policy for custodial credit risk. At year end, the County had deposits of $2,651,310 and the carrying amount for these deposits was $2,494,115. At December 31, 2011, 100% of the County's deposits were insured or collateralized with securities held by the County, an agent in the name of the County, or securities pledged by the financial institution in the name of the County. No amounts were uninsured and uncollateralized.

Component Unit

At year-end, the carrying amount of the component unit's deposits (checking and savings accounts) was $226,124 and the bank balance was $231,337. Of the bank balance $231,337 was covered by federal depository insurance and $-0- was collateralized with securities held by the pledging financial institution's trust department or agent in the Health Department's name. No amounts were uninsured and uncollateralized.

The carrying amount of the County's deposits is reconciled to the financial statements as follows:

Governmental Activities:	
Cash in Banks	$ 1,996,528
Cash on Hand	3,995
Total Governmental Activities	2,000,523
Business-Type Activities	26,255
Fiduciary Funds -	
Agency Funds	471,332
Total Primary Government	2,498,110
Component Unit -	
Health Department	226,124
Total Reporting Entity	$ 2,724,234

Investments

Investments are recorded at market value. Market value is based upon quoted market prices. The County currently holds no investments.

Georgia law authorizes local governments to invest in the following types of obligations:

1. Obligations of the State of Georgia or of any other states;
2. Obligations issued by the United States;
3. Obligations fully insured or guaranteed by the United States government or governmental agency;
4. Obligations of any corporation of the United States government;
5. Prime bankers' acceptances;
6. Georgia Fund 1 state investment pool;
7. Repurchase agreements; and
8. Obligations of other political subdivisions of the State of Georgia.

3. PROPERTY TAXES

Primary Government

Taxes are levied on September 1st of each year. Due date for these taxes is December 20th, and the lien date is the following March 1st. Taxes are collected throughout the year.

Property taxes for the fiscal year ended December 31, 2011, were assessed at the rate of 16.60 mills on the dollar on a total gross assessed valuation of $349,675,063.

In the governmental fund financial statements, property taxes are recorded as receivables and deferred at the time the tax levy is billed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible within sixty days following the close of the fiscal year are therefore susceptible to accrual in accordance with GAAP and have been recognized as revenue.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the County regardless of when cash is received. Over time, substantially all property taxes are collected.

4. ACCOUNTS RECEIVABLE

Receivables at year-end for the county's individual major funds and nonmajor funds in the aggregate and the related allowances for uncollectible accounts are as follows:

Primary Government

	General	Capital Projects SPLOST 09	Capital Projects Academy Project	Proprietary Water	Nonmajor Funds Other Governmental	Total
Taxes	$ 1,159,592	$ -	$ -	$ -	$ -	$ 1,159,592
Accounts	153,410	-	-	26,369	11,241	191,020
Intergovernmental	56,435	67,678	68,414	-	24,778	217,305
Gross receivables	1,369,437	67,678	68,414	26,369	36,019	1,567,917
Less - allowance for Uncollectibles	(22,625)	-	-	(10,285)	-	(32,910)
Net receivables	$ 1,346,812	$ 67,678	$ 68,414	$ 16,084	$ 36,019	$ 1,535,007

Intergovernmental receivables include amounts from the Georgia Department of Revenue for local option and special purpose local option sales taxes and grants receivable from the Economic Development Administration Public Works Program.

Component Unit

Accounts	$ 8,482
Intergovernmental	3,718
Gross receivables	12,200
Less allowance for uncollectible	-
Net receivable	$ 12,200

5. CAPITAL ASSETS

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

Description	Balance Beginning As Restated	Additions	Retirements	Transfers	Balance Ending
Primary Government					
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 542,068	$ -	$ -	$ 301,525	$ 843,593
Construction in progress	4,076,151	668,042	-	(2,603,201)	2,140,992
Total capital assets not being depreciated	4,618,219	668,042	-	(2,301,676)	2,984,585
Capital assets, being depreciated:					
Infrastructure	69,900	-	-	2,301,676	2,371,576
Buildings	6,599,539	-	-	-	6,599,539
Improvements	96,486	-	-	-	96,486
Machinery and equipment	5,278,402	692,250	740,634	-	5,230,018
Total capital assets, being depreciated	12,044,327	692,250	740,634	2,301,676	14,297,619
Less accumulated depreciation for:					
Infrastructure	4,940	64,519	-		69,459
Buildings	1,916,462	155,007	-		2,071,469
Improvements	22,123	2,400	-		24,523
Machinery and equipment	3,080,592	388,489	488,399		2,980,682
Total accumulated depreciation	5,024,117	610,415	488,399		5,146,133
Governmental activities capital assets, net of accumulated depreciation:					
Capital assets not being depreciated:					
Land	542,068	-	-	301,525	843,593
Construction in progress	4,076,151	668,042	-	(2,603,201)	2,140,992
Total capital assets not being depreciated	4,618,219	668,042	-	(2,301,676)	2,984,585
Capital assets being depreciated, net of accumulated depreciation:					
Infrastructure	64,960	(64,519)	-	2,301,676	2,302,117
Buildings	4,683,077	(155,007)	-	-	4,528,070
Improvements	74,363	(2,400)	-	-	71,963
Machinery and equipment	2,197,810	303,761	252,235	-	2,249,336
Total capital assets being depreciated, net of accumulated depreciation	7,020,210	81,835	252,235	2,301,676	9,151,486
Total governmental activities capital assets, net of accumulated depreciation	$ 11,638,429	$ 749,877	$ 252,235	$ -	$ 12,136,071

Description	Balance Beginning	Additions	Retirements	Transfers	Balance Ending
Business-type activities:					
Capital assets, not being depreciated -					
Land	$ 900	$ -	$ -	$	$ 900
Capital assets, being depreciated -					
Improvements-water system	3,344,567	-	-		3,344,567
Total capital assets being depreciated	3,344,567	-	-		3,344,567
Less accumulated depreciation for:					
Improvements-water system	279,635	66,892	-		346,527
Total accumulated depreciation	279,635	66,892	-		346,527
Business type activities capital assets, net of accumulated depreciation:					
Capital assets not being depreciated -					
Land	900	-	-		900
Capital assets being depreciated, net of accumulated depreciation -					
Improvements-water system	3,064,932	(66,892)	-		2,998,040
Total capital assets being depreciated, net of accumulated depreciation	3,064,932	(66,892)	-		2,998,040
Total business type activities capital assets, net of accumulated depreciation	$ 3,065,832	$(66,892)	$ -	$	$ 2,998,940
Component Unit					
Health Department:					
Capital assets not being depreciated -					
Land	$ -	$ -	$ -	$	$ -
Capital assets being depreciated -					
Machinery and equipment	103,071	-	-		103,071
Total capital assets being depreciated	103,071	-	-		103,071
Less accumulated depreciation for:					
Machinery and equipment	102,939	132	-		103,071
Total accumulated depreciation	102,939	132	-		103,071
Health department capital assets, net of accumulated depreciation:					
Capital assets not being depreciated -					
Land	-	-	-		-
Capital assets being depreciated, net of accumulated depreciation:					
Machinery and equipment	132	(132)	-		-
Total capital assets being depreciated, net of accumulated depreciation	132	(132)	-		-
Total health department capital assets, net of accumulated depreciation	$ 132	$(132)	$ -	$	$ -

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

Governmental activities:	
General government	$ 164,459
Public safety	276,475
Highways and Streets	83,551
Public health and welfare	11,240
Culture and recreation	12,501
Economic development	62,189
Total depreciation expense - governmental activities	$ 610,415
Business-type activities -	
Water system	$ 66,892
Total depreciation expense - business-type activities	$ 66,892
Component Unit	
Health Department -	
Governmental activities - Health.....	$ 132
Total depreciation expense - component unit activities	$ 132

6. JOINT VENTURES

Primary Government

Middle Georgia Regional Commission

Under Georgia law, the County, in conjunction with municipalities and counties in the eleven (11) county Middle Georgia area are members of the Middle Georgia Regional Commission (MGRC). Membership in the MGRC is required for each municipality and county in the Middle Georgia region. The Official Code of Georgia Section 50-8-34 provides for the organizational structure of the Regional Commissions. The MGRC 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 a nonpublic member and a minority member who must be an elected official to serve as board members from a County. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements for the MGRC are available from:

Middle Georgia Regional Commission
175 Emery Highway, Suite C
Macon, Georgia 31217

7. TWIGGS COUNTY HEALTH DEPARTMENT

The Twiggs County Board of Health is reported as a discretely presented component unit in the county's financial statements because the entity is legally separate, the primary government appoints a voting majority of the entity's board, the primary government is able to impose its will on the entity, the entity does not provide services entirely or almost entirely to the primary government, and in most cases, the entity and the primary government do not have boards that are substantively the same.

The following is a condensed statement of net assets of the Twiggs County Health Department as of June 30, 2011:

	Total
Assets:	
Cash	$ 226,124
Accounts receivable	8,482
Intergovernmental receivables	3,718
Capital assets, net of accumulated depreciation	-
Total Assets	$ 238,324
Liabilities:	
Accounts payable	$ 7,806
Compensated Absences:	
Due within one year	3,367
Due after one year	15,304
Total Liabilities	26,477
Net Assets:	
Invested in capital assets	-
Unreserved	211,847
Total Net Assets	$ 211,847

The following is a summary of the statement of activities of the Twiggs County Health Department for the fiscal year ended June 30, 2011:

Program Revenues:	
Charges for services	$ 90,244
Operating grants and contributions	187,601
Total Program Revenues	277,845
Program Expenses - Health	268,310
Net	9,535
General Revenues - unrestricted investment earnings	2,992
Changes in Net Assets	12,527
Net Assets, Beginning	199,320
Net Assets, Ending	$ 211,847

Complete audited financial statements for the Twiggs County Health Department are available at the office of the Twiggs County Board of Commissioners.

8. COMPLIANCE WITH LEGAL PROVISIONS

The County is in compliance with all significant finance-related legal and contractual provisions.

Deficit Fund Balances-

No individual funds had deficit fund balances at December 31, 2011.

Excess of expenditures over appropriations in individual departments:

The following funds/departments had an excess of expenditures over appropriations:

General Fund:	
General Government:	
Superior Court	$ 6,765
Probate Court	49,019
Clerk of Superior Court	38,486
Juvenile Court	11,419
Tax Commissioner	24,519
Registrars	12,748
Tax Assessors	5,869

General Government Buildings	15,652
Magistrate	36,244
Planning and Zoning	11,540
Public Safety:	
Sheriff	861,854
Fire Department	27,730
Rescue	7,357
Coroner	2,204
Highways and Streets	289,337
Sanitation	42,818
Public Health and Welfare:	
Department of Family and Children's Services	2,575
Older American's Council	18,247
Transit System	15,623
Public Defender Appropriation	28,610
Culture and Recreation -	
Library Appropriation	9,493
Debt Service-	
Interest	17,731
Transfers out	80,614

These variances did not create a deficit in the General Fund. Additionally, while these variances occurred in individual departments, the Board of Commissioners reviews the budget monthly in an effort to prevent an excess of expenditures over revenues.

SPLOST payable-

During the current fiscal year, a reimbursement of qualified SPLOST expenditures from the Academy Capital Projects Fund to the 2009 SPLOST account was erroneously deposited to the 2003 SPLOST account. The error was not discovered until after the end of the current fiscal year. A transfer was made subsequent to the current year end from the 2003 SPLOST account to the 2009 SPLOST account to correct the error.

9. LONG-TERM LIABILITIES

The following is a summary of debt transactions of the County for the current year:

	Balance Beginning	Additions	Retirements	Balance Ending	Amounts Due Within One Year	Interest Paid
Governmental Activities:						
Capital Leases	$ 710,741	$ 309,033	$ 282,338	$ 737,436	$ 152,826	$ 28,095
Notes Payable	199,544	125	23,963	175,706	120,623	11,811
Total Capital Leases and Notes Payable	910,285	309,158	306,301	913,142	273,449	39,906
Landfill Postclosure Care Costs	246,230	-	29,691	216,539	-	-
Compensated Absences	154,530	-	3,811	150,719	150,719	-
Total Governmental Activities	$ 1,311,045	$ 309,158	$ 339,803	$ 1,280,400	$ 424,168	$ 39,906
Business-Type Activities:						
Notes payable	$ 1,602,783	$ -	$ 90,724	$ 1,512,059	$ 90,724	$ -
Total Business-Type Activities	$ 1,602,783	$ -	$ 90,724	$ 1,512,059	$ 90,724	$ -

Details of capital leases and notes payable are as follows:

	Balance Beginning	Additions	Retirements	Balance Ending
Governmental Activities:				
Capital Leases:				
4.45% Capital lease payable, with monthly payments of $2,121, including interest, original principal of $202,405, made on November 2, 2006, incurred to purchase road department equipment	$ 126,392	$ -	$ 126,392	$ -
3.45% Capital lease payable, with annual payments of $21,489 including interest, original principal of $147,372, made on June 23, 2008, incurred to purchase road department equipment	114,152	-	17,488	96,664
5.90% Capital lease payable, with annual payments of $19,010 including interest, original principal of $52,370, made on July 29, 2008, incurred to purchase Sheriff's department vehicles	17,937	-	17,937	-
4.69% Capital lease payable, with annual payments of $22,079 including interest, original principal of $96,419, made on August 20, 2008, incurred to purchase road department truck	60,480	-	19,243	41,237
3.80% Capital Lease Payable, with annual payments of $87,709, including interest, original principal of $391,780, made October 1, 2010, incurred to purchase 911 communications equipment	391,780	-	72,507	319,273
6.06% Capital Lease Payable, with annual payments of $7,725, including interest, original principal of $28,146, made on July 14, 2011, incurred to purchase Sheriff's department vehicle	-	28,146	7,589	20,557
6.50% Capital Lease Payable, with annual payments of $15,291, including interest, original principal of $43,129, made on January 7, 2011, incurred to purchase Sheriff's department vehicles	-	43,129	15,291	27,838
6.50% Capital lease Payable, with annual payments of $5,891, including interest, original principal of $16,617, made on January 12, 2011, incurred to purchase Sheriff's department vehicles	-	16,617	5,891	10,726
3.00% Capital Lease Payable, with monthly payments of $1,715, including interest, original principal of $221,141, made on December 1, 2011, incurred to purchase motor grader	-	221,141	-	221,141
Total Capital Leases	710,741	309,033	282,338	737,436

	Balance Beginning	Additions	Retirements	Balance Ending
Notes Payable:				
8.25% Note payable, with monthly payments of $1,578, including interest, original principal of $144,280, made on March 2, 2007, for road department building and land under a wrap around agreement with annual maturities and fourteen scheduled available annual renewals	111,414	-	9,284	102,130
4.00% Note payable, with monthly payments of $1,899, including interest, original principal of $100,000, made on April 7, 2010, for road department building and land, with scheduled renewals annually thereafter	88,130	125	14,679	73,576
Total Notes Payable	199,544	125	23,963	175,706
Total Governmental Activities	$ 910,285	$ 309,158	$ 306,301	$ 913,142
Business-Type Activities:				
Note Payable - Georgia Environmental Facilities project loan for water system improvements, original principal of $1,814,471, transferred from general fund along with related water system improvements on January 1, 2008. Initial interest rate of 0%, with monthly principal payments of $7,560	$ 1,602,783	$ -	$ 90,724	$ 1,512,059
Total Business-Type Activities	$ 1,602,783	$ -	$ 90,724	$ 1,512,059

A summary of short-term debt activity of the county for the current year is as follows:

	Balance Beginning	Additions	Retirements	Balance Ending	Interest Paid
Tax anticipation notes used for general government activity	$ -	$ 1,900,000	$ 1,900,000	$ -	$ 35,012

Interest paid on short-term debt is charged directly to general government expense in the statement of activities. The general fund liquidated all short-term debt during the current year.

A total of $1,248,889 represents the gross amount of assets recorded in statement of net assets under outstanding capital leases. These assets collateralize the leases payable as of the end of the current year. There are no special restrictions on assets under capital leases.

The County had no earnings on unexpended debt proceeds and, accordingly, Federal Arbitrage Regulations do not apply. There are currently no amortizable debt premiums, discounts or issue costs applicable to County debt.

The governmental activities notes payable above which were incurred for acquisition of road department buildings and land are both subject to annual renewals. Both of these loans are included in long-term liabilities due to management's intentions to renew based upon a longer amortization period.

The annual requirements to service principal and interest on all County long-term debt to maturity is as follows:

Year ending June 30	Capital Leases Payable			Notes Payable			Governmental Activities Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2012	$ 152,826	$ 27,940	$ 180,766	$ 120,623	$ 3,697	$ 124,320	$ 273,449	$ 31,637	$ 305,086
2013	219,201	21,565	240,766	55,083	176	55,259	274,284	21,741	296,025
2014	103,564	12,451	116,015	-	-	-	103,564	12,451	116,015
2015	99,903	8,387	108,290	-	-	-	99,903	8,387	108,290
2016	161,942	4,640	166,582	-	-	-	161,942	4,640	166,582
2017-2021	-	-	-	-	-	-	-	-	-
Totals	$ 737,436	$ 74,983	$ 812,419	$ 175,706	$ 3,873	$ 179,579	$ 913,142	$ 78,856	$ 991,998

Year ending June 30	Capital Leases Payable			Notes Payable			Business-Type Activities Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2012	$ -	$ -	$ -	$ 90,724	$ -	$ 90,724	$ 90,724	$ -	$ 90,724
2013	-	-	-	90,724	-	90,724	90,724	-	90,724
2014	-	-	-	90,724	-	90,724	90,724	-	90,724
2015	-	-	-	90,724	-	90,724	90,724	-	90,724
2016	-	-	-	90,724	-	90,724	90,724	-	90,724
2017-2021	-	-	-	453,618	-	453,618	453,618	-	453,618
2022-2026	-	-	-	453,618	-	453,618	453,618	-	453,618
2027-2031	-	-	-	151,203	-	151,203	151,203	-	151,203
Totals	$ -	$ -	$ -	$ 1,512,059	$ -	$1,512,059	$ 1,512,059	$ -	$ 1,512,059

Total interest paid on long-term debt during the current year is summarized as follows:

Governmental Activities			Business Type Activities		
Total Interest	Less Direct Interest	Net Interest	Total Interest	Less Capitalized Interest	Net Interest
$39,906	$ -	$ 39,906	$ -	$ -	$ -

Total interest paid on all County debt during the current year was $74,918.

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

The County has several annually renewable leases on office and equipment with no contingent payments included therein. Total equipment rental during the current year was $68,476.

Component Unit

Description	Balance Beginning	Additions	Retirements	Balance Ending	Amounts due within One Year
Accrued Leave	$ 15,100	$ 11,922	$ 8,351	$ 18,671	$ 3,367
Total	$ 15,100	$ 11,922	$ 8,351	$ 18,671	$ 3,367

10. INTERFUND BALANCES AND TRANSFERS

The following is a summary of interfund receivables and payables:

	Due from Other Funds	Due To Other Funds
Major Governmental Funds:		
SPLOST 09 Capital Projects Fund	$ 205,850	$ -
Academy Project Capital Projects Fund	42,589	-
SPLOST Capital Projects Fund	-	180,025
Academy Project Capital Projects Fund	-	68,414
Totals...	$ 248,439	$ 248,439

The following is a summary of interfund transfers during the year:

	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund:		
Transfers out to 911 Surcharge Special Revenue Fund	$ -	$ 32,000
Transfers out to Jail Special Revenue Fund	-	17,479
Transfers out to Water Fund	-	31,135
General Fund Totals	-	80,614
Nonmajor Governmental Funds	49,479	-
Totals-Governmental Funds	49,479	80,614
Major Proprietary Fund -		
Water Fund-		
Transfers in from General Fund	31,135	-
Water Fund Totals	31,135	-
Totals-Proprietary Fund	31,135	-
Totals	$ 80,614	$ 80,614

Transfers were made between the General Fund and the Water Fund to reimburse for routine operating functions and debt service. Transfers from the General Fund to the 911 Surcharge Fund and the Jail Fund special revenue funds were made to reimburse for routine debt service and property acquisitions.

The total due from other funds in the SPLOST 09 Fund of $205,850 includes an amount due from SPLOST 03 of $137,436, as explained in Note 8 above, and an amount due from the Academy Capital Projects Fund of $68,414. Both amounts represent reimbursements of qualified SPLOST 09 expenditures which were subsequently received under an EDA grant received by the Academy Capital Projects Fund. The total receivable of $205,850 was repaid subsequent to the current year end. Management plans to repay all other balances within one year.

11. GRANT AUDITS

Primary Government

In the normal course of operations, the County receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Component Unit

The Health Department received the majority of its funding through DHR. This funding is subject to program

compliance audits by DHR or its designee. However, any adjustments emanating as a result of such an examination are not expected to differ materially from the amounts reflected in the financial statements.

12. 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; and natural disasters. The County maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The County paid $32,479 in premiums for various commercial coverage during the current year. There have been no significant reductions in insurance coverage from the prior year.

The County is a member of the Association County Commissioners Self Insurance Workers Compensation Fund pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated. The Fund represents a self-insurance pool, whereby members agree to pay the workers compensation claims of other members of the fund. The County paid $105,663 to the fund during the current year. There were no assessments made against the County for additional losses incurred by the fund.

The liability of the fund to the employees of any employer 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 members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the purview of the Worker's Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding of compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The County has also become a member of the Association County Commissioners of Georgia - Interlocal Risk Management Agency for liability, motor vehicle and property damage risk self insurance. The County paid $121,186 to the fund during the current year. There were no assessments made against the County for additional losses incurred by the fund.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency operating as an unincorporated nonprofit instrumentality of its member municipalities - GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss. The County, among other requirements, must: pay all contributions, assessments or other sums due to GIRMA as such times and in such amounts as shall be established by GIRMA; select a person to serve as a member representative; allow GIRMA and its agents reasonable access to all facilities and all records of the County which relate to the purposes of GIRMA; allow attorneys appointed by the agency to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the Fund; assist and cooperate in the defense and settlement of claims against the County; furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purposes of GIRMA; follow loss reduction and prevention procedures established by the agency; furnish to GIRMA such budget, operating and underwriting information as may be requested; and report promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in claims against the fund.

13. CONTINGENCIES AND COMMITMENTS

Litigation

There are currently two lawsuits and one claim pending against the County. One of the two lawsuits is being defended by the County's insurer and it appears that insurance coverage will be adequate in the event of an adverse verdict. The other lawsuit involves a dispute over hospital expenses of approximately $50,000 incurred by an inmate after the inmate had been released from custody. The County has denied liability and is currently defending its position vigorously. The claim pending against the County involves a dispute over property leased for a fire station. If a lawsuit results from this claim, the County intends to defend its position vigorously.

SPLOST Commitments

On February 5, 2008, Twiggs County voters approved the imposition of a one-percent special purpose local option sales tax projected to begin on January 1, 2009, and to continue through December 31, 2013, or at the end of the quarter where the raising of $6,000,000 is reached, whichever occurs first. The tax is to be used 2/3 for improving Twiggs County roads and 1/3 for county water system improvements, purchase of a rescue vehicle, infrastructure improvements at the County industrial park, repair of courthouse roofs and recreation and parks.

14. RETIREMENT PLANS

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

1. 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.

2. 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.

3. Sheriff's Retirement Fund/Peace Officers Annuity and Benefit Fund
   The Sheriff is 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.

Contributions to these plans are not based on payroll, but rather on certain receipts.

15. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

The County's financial statements have not reflected a direct liability for landfill closure and post-closure care costs prior to December 31, 2005, because the County had operated its landfill through a joint venture. The Twiggs-Wilkinson Landfill Commission, Inc. (the Commission) was incorporated on November 23, 1998 as a Georgia Non-profit Corporation. The Commission was formed by Twiggs County, Georgia and Wilkinson County, Georgia in a joint landfill agreement that was to be effective for ten years to provide a facility for the disposal of solid waste collected by both counties. A three-member board administered the operations of the Highway 80 Landfill currently in operation as well as post-closure care of the Highway 57 Landfill. The Twiggs County and Wilkinson County Board of Commissioners each appointed one member for two-year terms. The two members appointed by the Counties appointed a third independent member for two-year terms. The creation of the Commission did not divest either Twiggs County or Wilkinson County of the responsibility for the Landfill's operation or financial obligations.

During the year ended December 31, 1999, the Commission was notified that the Highway 57 Landfill site had been identified as a hazardous waste site. As such, the Commission was required to comply with prescribed procedures regarding clean-up and additional monitoring. The Landfill Agreement between Twiggs and Wilkinson County stated that any corrective action costs for the Highway 57 Landfill would be the responsibility of Twiggs and Wilkinson County.

State and federal laws and regulations require owners to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the Commission reports a portion of these closure and post-closure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

Due to the competitive nature of the market which serves landfill monitoring and care and changes in inflation and technology, the estimated post-closure and closure costs care costs may fluctuate from year to year.

Under a purchase agreement with Wolf Creek Landfill, LLC, the Twiggs-Wilkinson Landfill Commission, Inc., was sold during August 2005. As of September 30, 2005, the Twiggs-Wilkinson Landfill Commission, Inc., was dissolved. As of September 30, 2005, the landfill post-closure care liability for the Highway 57 site was assumed equally by Wilkinson County and Twiggs County. A total of $216,539 remains as a liability for post-closure care in the Governmental Activities Statement of Net Assets as of December 31, 2011. The landfill closure and post-closure liability for the Highway 80 site was assumed by Wolf Creek Landfill, LLC. Twiggs County received $600,216 in host fees from the Landfill during the current year.

16. DEFERRED COMPENSATION PLAN

The county offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, the Twiggs County 457 Deferred Compensation Plan. The plan, available to all County Employees, 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.

Pursuant to changes in Internal Revenue Code Section 457, the plan has been amended to convert the deferred compensation plan to a trust. The plan is administered by GEBCorp. 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 solely the property and rights of the trust, established for the exclusive benefit of the participants and their beneficiaries. The County has no liability for these assets and they are not subject to the claims of the County's general creditors. All contributions to this plan are voluntary employee contributions.

17. PRIOR PERIOD ADJUSTMENT

On October 29, 2009, the County received a private donation of land in the amount of $31,372. General Fund revenue from private donations and economic development expenditures were understated by $31,372 for the year ended December 31, 2009, at the fund statement level. Revenues and capital assets not being depreciated were understated by $31,372 at the government-wide financial statement level. The property was recorded as of January 1, 2011, as an increase in the beginning balance of land and as an increase in beginning net assets invested in capital assets, net of related debt of $31,372.

An adjustment of $19,671 has been recorded as a reduction of beginning fund net assets and an increase in the customer deposits liability in the County's Water Fund as of January 1, 2011. Prior period Water Fund revenues were over stated by $19,671.

TWIGGS COUNTY, GEORGIA
Schedule of Revenues, Expenditures and
Changes in Fund Balances-Budget (GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended December 31, 2011

	Budget			
	Original	Final	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Ad valorem tax	$ 3,713,807	$ 3,713,807	$ 3,947,243	$ 233,436
Alcoholic beverage tax	42,042	42,042	40,369	(1,673)
Insurance premium tax	426,746	426,746	322,902	(103,844)
Local option sales tax	539,403	539,403	571,450	32,047
Other taxes	16,697	16,697	49,830	33,133
Total Taxes	4,738,695	4,738,695	4,931,794	193,099
Licenses and Permits:				
Beer and wine licenses	3,000	3,000	5,250	2,250
Other licenses, permits and fees	30,486	30,486	38,525	8,039
Total Licenses and Permits	33,486	33,486	43,775	10,289
Intergovernmental:				
Local grants-various	509	509	-	(509)
State grants-various	31,690	31,690	88,994	57,304
Payments in lieu of tax	15,311	15,311	10,788	(4,523)
Total Intergovernmental	47,510	47,510	99,782	52,272
Fines and Forfeitures:				
Probate Court.	591,216	591,216	578,724	(12,492)
Superior Court	26,924	26,924	67,598	40,674
Drug surcharges, etc.	1,166	1,166	1,744	578
Total Fines and Forfeitures	619,306	619,306	648,066	28,760
Charges for Services:				
Magistrate	34,263	34,263	39,316	5,053
Superior Court	44,522	44,522	47,610	3,088
Sheriff	48,289	48,289	36,649	(11,640)
Tax Commissioner	-	-	93,479	93,479
Greenbox fees	-	-	42	42
Transit system	25,894	25,894	45,370	19,476
Landfill host fees	443,255	443,255	600,216	156,961
Total Charges for Services	596,223	596,223	862,682	266,459
Interest earnings	394	394	1,357	963
Miscellaneous:				
Refunds, reimbursements, etc.	37,755	37,755	122,660	84,905
Other	83,727	83,727	192,241	108,514
Total Miscellaneous	121,482	121,482	314,901	193,419
Total Revenues	6,157,096	6,157,096	6,902,357	745,261

The accompanying Notes to Required Supplementary Information are an integral part of this Schedule.

TWIGGS COUNTY, GEORGIA

Schedule of Revenues, Expenditures and
Changes in Fund Balances-Budget (GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended December 31, 2011

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES:				
General Government:				
Administration	1,545,204	1,545,204	909,421	635,783
Superior Court	94,858	94,858	101,623	(6,765)
Probate Court	120,568	120,568	169,587	(49,019)
Clerk of Superior Court	170,533	170,533	209,019	(38,486)
Juvenile Court	-	-	11,419	(11,419)
Tax Commissioner	183,979	183,979	208,498	(24,519)
County Agent	31,193	31,193	26,991	4,202
Registrars	76,978	76,978	89,726	(12,748)
Tax Assessors	210,792	210,792	216,661	(5,869)
General Government Buildings	125,784	125,784	141,436	(15,652)
Board of Equalization	4,000	4,000	3,190	810
Magistrate	86,469	86,469	122,713	(36,244)
Planning and Zoning	62,568	62,568	74,108	(11,540)
Total General Government	2,712,926	2,712,926	2,284,392	428,534
Public Safety:				
Sheriff	1,383,176	1,383,176	2,245,030	(861,854)
Fire Department	37,227	37,227	64,957	(27,730)
Rescue	3,480	3,480	10,837	(7,357)
Coroner	29,109	29,109	31,313	(2,204)
Emergency Management	194,550	194,550	138,990	55,560
Georgia Forestry Appropriation	20,000	20,000	10,020	9,980
District Attorney Appropriation	90,000	90,000	71,277	18,723
Total Public Safety	1,757,542	1,757,542	2,572,424	(814,882)
Highways and Streets	694,346	694,346	983,683	(289,337)
Sanitation	140,000	140,000	182,818	(42,818)
Public Health and Welfare:				
Public Health Appropriation	84,261	84,261	80,920	3,341
Mental Health Appropriation	5,218	5,218	-	5,218
Department of Family and Children's Services	81,110	81,110	83,685	(2,575)
Older American's Council	31,537	31,537	49,784	(18,247)
Transit System	104,539	104,539	120,162	(15,623)
Neighborhood Service Center	977	977	-	977
Public Defender Appropriation	45,000	45,000	73,610	(28,610)
Total Public Health and Welfare	352,642	352,642	408,161	(55,519)

The accompanying Notes to Required Supplementary Information are an integral part of this Schedule.

TWIGGS COUNTY, GEORGIA

Schedule of Revenues, Expenditures and
Changes in Fund Balances-Budget (GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended December 31, 2011

	Budget			
	Original	Final	Actual	Variance with Final Budget
Culture and Recreation -				
Library Appropriation	12,805	12,805	22,298	(9,493)
Recreation Appropriation	4,500	4,500	-	4,500
Total Culture and Recreation	17,305	17,305	22,298	(4,993)
Economic Development	70,000	70,000	70,000	-
Debt Service:				
Principal	412,335	412,335	189,474	222,861
Interest	-	-	17,731	(17,731)
Total Debt Service	412,335	412,335	207,205	205,130
Total Expenditures	6,157,096	6,157,096	6,730,981	(573,885)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	171,376	171,376
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	-	-	(80,614)	(80,614)
Issuance of Capital Leases	-	-	280,887	280,887
Issuance of Notes Payable	-	-	125	125
Total Other Financing Sources (Uses)	-	-	200,398	200,398
Net Change in Fund Balance	-	-	371,774	371,774
FUND BALANCE, BEGINNING OF YEAR	660,236	660,236	660,236	-
FUND BALANCE, END OF YEAR	$ 660,236	$ 660,236	$ 1,032,010	$ 371,774

The accompanying Notes to Required Supplementary Information are an integral part of this Schedule.

Excess of expenditures over appropriations in individual departments:

The following funds/departments had an excess of expenditures over appropriations:

General Fund:	
General Government:	
Superior Court	$ 6,765
Probate Court	49,019
Clerk of Superior Court	38,486
Juvenile Court	11,419
Tax Commissioner	24,519
Registrars	12,748
Tax Assessors	5,869
General Government Buildings	15,652
Magistrate	36,244
Planning and Zoning	11,540
Public Safety:	
Sheriff	861,854
Fire Department	27,730
Rescue	7,357
Coroner	2,204
Highways and Streets	289,337
Sanitation	42,818
Public Health and Welfare:	
Department of Family and Children's Services	2,575
Older American's Council	18,247
Transit System	15,623
Public Defender Appropriation	28,610
Culture and Recreation -	
Library Appropriation	9,493
Debt Service-	
Interest	17,731
Transfers out	80,614

Budgets and Budgetary Control

The General Funds appropriated budget is prepared on departmental basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: current, capital outlay, and debt service. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final approval by the Board of Commissioners. Within these control levels, management may transfer appropriations without approval.

A budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The County adopts annual GAAP budgets for the general fund and the special revenue funds. Project length budgets are adopted for the capital projects funds.

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

1. Prior to year end the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing same.

2. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Twiggs County.

3. The Budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting before the year to which it applies.

4. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same.

5. Formal budgetary integration is employed as a management control device during the year by the General Fund and the Special Revenue Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

6. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. No amendments were made to the general fund budget during the current year.

7. The County's budgeting discretion is limited by general statutory provisions and local legislation that exist when the budget is adopted. In addition, both general and local legislation that is made effective during the fiscal year can, without budget hearings or other notice to or consent of the County or its citizenry, require retroactive adoption and increase expenditures during the budget year.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations, is not employed by the County's reporting entity because it is considered impractical and not necessary to insure effective budgetary and cash planning and control.

TWIGGS COUNTY, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Total Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund CDBG 07	Total Nonmajor Governmental Funds
ASSETS:			
Cash	$ 195,735	$ 3,702	$ 199,437
Receivables, net of allowance for uncollectibles:			
Accounts	11,241	-	11,241
Intergovernmental	1,778	23,000	24,778
Total Assets	$ 208,754	$ 26,702	$ 235,456
LIABILITIES AND FUND BALANCES:			
LIABILITIES-			
Accounts payable	$ 10,320	$ 26,177	$ 36,497
Total Liabilities	10,320	26,177	36,497
FUND BALANCES:			
Restricted for -			
Public safety	88,912	-	88,912
Law library	109,522	-	109,522
Capital projects	-	525	525
Total Fund Balances	198,434	525	198,959
Total Liabilities and Fund Balances	$ 208,754	$ 26,702	$ 235,456

TWIGGS COUNTY, GEORGIA
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2011

	Total Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund CDBG 07	Total Nonmajor Governmental Funds
REVENUES:			
Intergovernmental	$ 122,310	$ 290,144	$ 412,454
Fines and forfeitures	183,308	-	183,308
Charges for services	65,256	-	65,256
Interest earnings	1,767	-	1,767
Miscellaneous	4,508	-	4,508
Total Revenues	377,149	290,144	667,293
EXPENDITURES:			
Current:			
General government	15,476	-	15,476
Public safety	383,821	-	383,821
Capital Outlay	-	289,719	289,719
Debt service:			
Principal	80,096	-	80,096
Interest	15,337	-	15,337
Total Expenditures	494,730	289,719	784,449
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(117,581)	425	(117,156)
OTHER FINANCING SOURCES (USES):			
Transfers in	49,479	-	49,479
Transfers out	-	-	-
Issuance of capital leases	28,146	-	28,146
Total Other Financing Sources (Uses)	77,625	-	77,625
Net Change in Fund Balances	(39,956)	425	(39,531)
FUND BALANCES, BEGINNING OF YEAR	238,390	100	238,490
FUND BALANCES, END OF YEAR	$ 198,434	$ 525	$ 198,959

TWIGGS COUNTY, GEORGIA
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Sheriff's Commissary	Sheriff's Grant Fund	911 Surcharge	Jail	Law Library	Dare Fund	Confiscated Assets	Total Nonmajor Special Revenue Funds
ASSETS:								
Cash	$ 12,115	$ 10,630	$ 11,577	$ 10,583	$ 109,522	$ 18,645	$ 22,663	$ 195,735
Receivables, net of allowance for uncollectibles:								
Accounts	-	-	11,241	-	-	-	-	11,241
Intergovernmental	-	-	-	-	-	1,778	-	1,778
Total Assets	$ 12,115	$ 10,630	$ 22,818	$ 10,583	$ 109,522	$ 20,423	$ 22,663	$ 208,754
LIABILITES:								
Accounts payable	$ 4,915	$ -	$ 135	$ 5,270	$ -	$ -	$ -	$ 10,320
Total Liabilities	4,915	-	135	5,270	-	-	-	10,320
FUND BALANCES:								
Restricted for-								
Public safety	7,200	10,630	22,683	5,313	-	20,423	22,663	88,912
Law Library	-	-	-	-	109,522	-	-	109,522
Total Fund Balances	7,200	10,630	22,683	5,313	109,522	20,423	22,663	198,434
Total Liabilities and Fund Balances	$ 12,115	$ 10,630	$ 22,818	$ 10,583	$ 109,522	$ 20,423	$ 22,663	$ 208,754

TWIGGS COUNTY, GEORGIA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2011

	Sheriff's Commissary	Sheriff's Grant Fund	911 Surcharge	Jail	Law Library	Dare Fund	Confiscated Assets	Total Nonmajor Special Revenue Funds
REVENUES:								
Intergovernmental	$ -	$ 122,310	$ -	$ -	$ -	$ -	$ -	$ 122,310
Fines and forfeitures	-	-	-	70,041	12,719	27,517	73,031	183,308
Charges for services	-	-	65,256	-	-	-	-	65,256
Interest earnings	-	-	25	-	1,718	24	-	1,767
Miscellaneous	3,805	-	-	-	-	-	703	4,508
Total Revenues	3,805	122,310	65,281	70,041	14,437	27,541	73,734	377,149
EXPENDITURES:								
Current:								
General government	781	83	-	-	14,612	-	-	15,476
Public safety	1,726	111,680	59,834	110,691	-	31,095	68,795	383,821
Debt service:								
Principal	-	-	72,507	7,589	-	-	-	80,096
Interest	-	-	15,201	136	-	-	-	15,337
Total Expenditures	2,507	111,763	147,542	118,416	14,612	31,095	68,795	494,730
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,298	10,547	(82,261)	(48,375)	(175)	(3,554)	4,939	(117,581)
OTHER FINANCING SOURCES (USES)-								
Transfers in	-	-	32,000	17,479	-	-	-	49,479
Issuance of capital leases	-	-	-	28,146	-	-	-	28,146
Total Other Financing Sources (Uses)	-	-	32,000	45,625	-	-	-	77,625
Net Change in Fund Balances	1,298	10,547	(50,261)	(2,750)	(175)	(3,554)	4,939	(39,956)
FUND BALANCES, BEGINNING OF YEAR	5,902	83	72,944	8,063	109,697	23,977	17,724	238,390
FUND BALANCES, ENDING	$ 7,200	$ 10,630	$ 22,683	$ 5,313	$ 109,522	$ 20,423	$ 22,663	$ 198,434

TWIGGS COUNTY, GEORGIA
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2011

	Superior Court	Probate Court	Tax Commissioner	Magistrate	Sheriff	Tax Assessor	Emergency Management	Total
ASSETS:								
Cash	$ 67,870	$ 36,159	$ 263,031	$ 3,893	$ 100,379	$ -	$ -	$ 471,332
Taxes receivable	-	-	2,291,301	-	-	-	-	2,291,301
Total Assets	$ 67,870	$ 36,159	$ 2,554,332	$ 3,893	$ 100,379	$ -	$ -	$ 2,762,633
LIABILITIES -								
Accounts payable	67,870	36,159	2,554,332	3,893	100,379	-	-	2,762,633
Total Liabilities	$ 67,870	$ 36,159	$ 2,554,332	$ 3,893	$ 100,379	$ -	$ -	$ 2,762,633

TWIGGS COUNTY, GEORGIA
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2011

	Balance Beginning	Increase	Decrease	Balance Ending
ALL AGENCY FUNDS				
Assets	$ 2,918,572	$ 9,325,010	$ 9,480,949	$ 2,762,633
Total Assets	$ 2,918,572	$ 9,325,010	$ 9,480,949	$ 2,762,633
Liabilities	$ 2,918,572	$ 9,325,010	$ 9,480,949	$ 2,762,633
Total Liabilities	$ 2,918,572	$ 9,325,010	$ 9,480,949	$ 2,762,633
SUPERIOR COURT				
Assets-				
Cash	$ 62,992	$ 338,373	$ 333,495	$ 67,870
Total Assets	$ 62,992	$ 338,373	$ 333,495	$ 67,870
Liabilities-				
Accounts payable	$ 62,992	$ 338,373	$ 333,495	$ 67,870
Total Liabilities	$ 62,992	$ 338,373	$ 333,495	$ 67,870
PROBATE COURT				
Assets-				
Cash	$ 27,823	$ 941,231	$ 932,895	$ 36,159
Total Assets	$ 27,823	$ 941,231	$ 932,895	$ 36,159
Liabilities-				
Accounts payable	$ 27,823	$ 941,231	$ 932,895	$ 36,159
Total Liabilities	$ 27,823	$ 941,231	$ 932,895	$ 36,159
TAX COMMISSIONER				
Assets-				
Cash and receivables	$ 2,739,115	$ 7,851,924	$ 8,036,707	$ 2,554,332
Total Assets	$ 2,739,115	$ 7,851,924	$ 8,036,707	$ 2,554,332
Liabilities-				
Accounts payable	$ 2,739,115	$ 7,851,924	$ 8,036,707	$ 2,554,332
Total Liabilities	$ 2,739,115	$ 7,851,924	$ 8,036,707	$ 2,554,332
MAGISTRATE				
Assets-				
Cash	$ 4,282	$ 107,976	$ 108,365	$ 3,893
Total Assets	$ 4,282	$ 107,976	$ 108,365	$ 3,893
Liabilities:				
Accounts payable	$ 4,282	$ 107,976	$ 108,365	$ 3,893
Total Liabilities	$ 4,282	$ 107,976	$ 108,365	$ 3,893
SHERIFF				
Assets-				
Cash	$ 84,360	$ 73,990	$ 57,971	$ 100,379
Total Assets	$ 84,360	$ 73,990	$ 57,971	$ 100,379
Liabilities-				
Accounts payable	$ 84,360	$ 73,990	$ 57,971	$ 100,379
Total Liabilities	$ 84,360	$ 73,990	$ 57,971	$ 100,379

TWIGGS COUNTY, GEORGIA

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Fiscal Year Ended December 31, 2010

	Balance Beginning	Increase	Decrease	Balance Ending
TAX ASSESSOR				
Assets-				
Cash	$ -	$ 5,985	$ 5,985	$ -
Total Assets	$ -	$ 5,985	$ 5,985	$ -
Liabilities-				
Accounts payable	$ -	$ 5,985	$ 5,985	$ -
Total Liabilities	$ -	$ 5,985	$ 5,985	$ -
EMERGENCY MANAGEMENT				
Assets-				
Cash	$ -	$ 5,531	$ 5,531	$ -
Total Assets	$ -	$ 5,531	$ 5,531	$ -
Liabilities-				
Accounts payable	$ -	$ 5,531	$ 5,531	$ -
Total Liabilities	$ -	$ 5,531	$ 5,531	$ -

TWIGGS COUNTY, GEORGIA
Schedule of Special Purpose Local Option
Sales Tax Expenditures
For the Fiscal Year Ended December 31, 2011

Project	Original Estimated Cost	Current Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Subtotal	Transfers In	Total	Estimated Percentage of Completion
Capital Improvement program								
September 16, 2003 referendum:								
Improving the County:								
Water System Improvements			$ 464,750	$ 109,744	$ 574,494	$ -	$ 574,494	
Fire Department Equipment			1,136,021	-	1,136,021	-	1,136,021	
Industrial Park			1,340,659	18,326	1,358,985	-	1,358,985	
Pay debt incurred from finishing the building of the courthouse			540,274	-	540,274	-	540,274	
Total	$ 5,000,000	$ 5,000,000	$ 3,481,704	$ 128,070	$ 3,609,774	$ -	$ 3,609,774	72.20 %
Capital Improvement program-								
February 5, 2008, referendum:								
Improving Twiggs County roads			$ 62,537	$ 695,899	$ 758,436	$ -	$ 758,436	
Retirement of road shop debt, and purchase of other road maintaining equipment as required			73,968	76,430	150,398	-	150,398	
Improving the County's water system			7,500	248	7,748	-	7,748	
Purchase of rescue vehicle			-	-	-	-	-	
Complete infrastructure and other objectives at County's Industrial Park			370,719	219,427	590,146	-	590,146	
Repair roofs at Courthouse complex			14,650	-	14,650	-	14,650	
Recreation and parks			-	92	92	-	92	
Total	$ 6,000,000	$ 6,000,000	$ 529,374	$ 992,096	$ 1,521,470	$ -	$ 1,521,470	25.36 %

TWIGGS COUNTY, GEORGIA
Community Development Block Grant Program
Project Cost Schedule
Grant #07p-y-143-1-3328
For the Period September 7, 2007 through December 31, 2011

Program Activity	CDBG Activity Number	Latest Approved Budget CDBG Funds	Accumulative CDBG Expenditures To Date	Accumulative Expenditures To Date Other Funds	Grand Total of Expenditures To Date
Contingencies	C-022-00	$ 20,000	$ -	$ -	$ -
Engineering-Water/ Sewer Improvements	T-03J-00	30,000	30,000	-	30,000
Water Facilities	P-03J-01	420,000	282,720	-	282,720
Administration	A-21A-00	30,000	27,107	67,134	94,241
Totals		$ 500,000	$ 339,827	$ 67,134	$ 406,961

TWIGGS COUNTY, GEORGIA
Community Development Block Grant Program
Source and Application of Funds Schedule
Grant #07p-y-143-1-3328
For the Period September 7, 2007 through December 31, 2011

I.	Total Fiscal Year 2007 CDBG Funds Awarded to Recipient:	$ 500,000
II.	Total Amount Drawn Down by Recipient from DCA	$ 340,244
III.	Less: CDBG Funds Expended by Recipient	340,244
IV.	Amount of Fiscal Year 2007 CDBG Funds Held by Recipient	$ -

TWIGGS COUNTY, GEORGIA
Economic Development Administration Grant Program
Project Cost Schedule
Grant #04-01-05993
For the Period December 4, 2007 through December 31, 2011

Program Activity	Latest Approved Budget EDA Funds	Accumulative EDA Expenditures To Date	Accumulative Expenditures To Date Other Funds	Grand Total of Expenditures To Date
Sewer Construction - Phase 1	$ 74,446	$ 11,550	$ -	$ 11,550
Sewer Construction - Phase 2	798,565	802,952	-	802,952
Sewer Engineering	126,989	-	-	-
Street/Entrance Road Construction	192,670	148,588	-	148,588
Street/Entrance Road Engineering	69,776	7,864	-	7,864
Natural Gas Line	237,554	-	-	-
Totals	$ 1,500,000	$ 970,954	$ -	$ 970,954

TWIGGS COUNTY, GEORGIA
Economic Development Administration Grant Program
Source and Application of Funds Schedule
Grant #04-01-05993
For the Period December 4, 2007 through December 31, 2011

I.	Total Fiscal Year 2007 Economic Development Administration Funds Awarded to Recipient:	$ 1,500,000
II.	Total Amount Drawn Down by Recipient from Economic Development Administration	$ 1,013,543
III.	Less: Economic Development Administration Funds Expended by Recipient	970,954
IV.	Amount of Fiscal Year 2007 Economic Development Administration Funds Held by Recipient	$ 42,589

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

To the Honorable Chairman and
Members of the Board of Commissioners
Twiggs County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit-Twiggs County Health Department, each major fund, and the aggregate remaining fund information of Twiggs County, Georgia, as of and for the year ended December 31, 2011, which collectively comprise Twiggs County, Georgia's basic financial statements and have issued our report thereon dated July 03, 2012. 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. We did not audit the financial statements of the Twiggs County Health Department, a component unit of the County, which statements reflect 100 percent each of the total assets, net assets and revenues of the discretely presented component units. Those financial statements 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 Twiggs County Health Department component unit, is based on the report of the other auditors.

Internal Control Over Financial Reporting

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

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

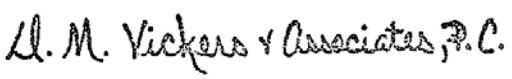
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 06-1, 11-1, and 11-2, to be significant deficiencies.

Compliance and Other Matters

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

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

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



July 03, 2012

D. M. Vickers & Assoc., P.C.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Chairman and
Members of the Board of Commissioners
Twiggs County, Georgia

Compliance

We have audited the compliance of Twiggs County, Georgia with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Twiggs County, Georgia's major federal programs for the year ended December 31, 2011. Twiggs County, Georgia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Twiggs County, Georgia's management. Our responsibility is to express an opinion on Twiggs County, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Twiggs County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Twiggs County, Georgia's compliance with those requirements.

In our opinion, Twiggs County, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 10-1 and 11-4.

Internal Control Over Compliance

Management of Twiggs County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Twiggs County, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Twiggs County, Georgia's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 08-1. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

H. M. Vickers & Associates, P.C.

July 03, 2012

TWIGGS COUNTY, GEORGIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Commerce			
Direct program -			
Economic Development Administration			
Public Works Program/Infrastructure Improvements	11.300	N/A	$ 243,986
Total Department of Commerce			$ 243,986
Department of Justice			
Direct Program-			
Bureau of Justice Assistance:			
Bulletproof Vest Partnership Program	16.607	N/A	$ 6,021
Passed through State of Georgia-			
Criminal Justice Coordinating Council:			
Public Safety Partnership and Community Policing Grants	16.710	2010CKWX0280	105,743
Edward Byrne Memorial Justice Assistance Grant	16.803	B82-8-048	24,887
Total Department of Justice			$ 136,651
Housing and Urban Development			
Passed through State of Georgia –			
Department of Community Affairs:			
CDBG Small Cities Program	14.219	07P-Y-143-1-3328	$ 289,727
Total Housing and Urban Development			$ 289,727
Department of Transportation			
Passed through State of Georgia-			
Department of Transportation			
Urban Mass Transportation-Capital and Operating Assistance Grant	20.507	GA-18-4029	$ 85,364
Total Department of Transportation			$ 85,364
Department of Homeland Security			
Direct Program-			
Federal Emergency Management Agency			
Assistance to Firefighters Grant	97.044	N/A	$ 52,098
Total Department of Homeland Security			$ 52,098
Total Federal Assistance Expended			$ 807,826

See accompanying notes to schedule of expenditures of federal awards.

TWIGGS COUNTY, GEORGIA
Notes to Schedule of Expenditures of Federal Awards
For The Fiscal Year Ended December 31, 2011

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Twiggs County, Georgia, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - NONMONETARY ASSISTANCE

The County did not receive nonmonetary assistance during the year ended December 31, 2011.

NOTE C - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, no amounts were provided to subrecipients by Twiggs County, Georgia.

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Twiggs County, Georgia.

2. Three significant deficiencies relating to the audit of financial statements is reported in the Report of Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and are included in the Schedule of Findings and Questioned Costs. The conditions are not reported as a material weakness.

3. No instances of noncompliance material to the financial statements of Twiggs County, Georgia, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No material weaknesses and one significant deficiency in internal control were disclosed during the audit of the major federal award program.

5. The auditors' report on compliance for the major federal award programs for Twiggs County, Georgia, expresses an unqualified opinion on the major federal program.

6. Two audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133 are reported in this Schedule.

7. The programs tested as major programs included:

Major Programs	CFDA Number
Economic Development Administration Public Works Program/Infrastructure Improvements	11.300
Department of Housing and Urban Development CDBG Small Cities Program	14.219

8. The threshold for distinguishing Types A and B programs was $300,000.

9. Twiggs County, Georgia was determined to be a high-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

06-1 Segregation of duties

Condition: Due to the limited number of personnel, overlapping of duties exists in the County's operations, primarily in the areas of cash receipts and disbursements. This overlapping of duties presents a situation where unauthorized use of assets could occur and not be detected within a timely period.

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

Effect: Failure to fully segregate duties between recording, processing and reconciliation of accounts can lead to misappropriation of funds that are not detected during the normal course of business.

Recommendation: That management continually exercise alert supervision of employees in order to protect the assets of the County and continue to use compensating controls. It is further recommended that the County implement an internal audit review to be performed on a quarterly basis. This internal audit would serve to further mitigate the lack of segregation of duties.

Response: We concur. We realize that with limited personnel complete segregation of duties is not possible. Therefore, to mitigate this, we will exercise alert supervision over all employees and continue the use of compensating controls. We will consider the feasibility of performing quarterly internal audits in the future.

11-1 Water system billing and revenue recognition

Condition: The County's billing for the water system has been performed using a spreadsheet for several years. Errors were found in the calculation of the bills due to the incorrect usage being billed, formula errors in the calculation of the bill, and transferring amounts to the accounting system. In addition, the County's policy on collecting customer deposits has not been enforced as written, and customer deposits that were collected not been recorded as a liability and properly monitored.

Criteria: The County should accurately bill and correctly record liabilities and revenue.

Effect: The County could be losing revenue due to under billing, and amounts collected as deposits may not be refunded timely.

Recommendation: That the County purchase a utility billing system to process monthly billing and maintain all water system billing accounts and deposits. The balances per this system and activity posted to the system should be reconciled to the general ledger on a monthly basis.

Response: Management uncovered these "Conditions" and have instituted policies to correct deficiencies. Management is looking into purchasing utility billing software.

11-2 Check signature stamp

Condition: The County uses a check signature stamp with four Commissioners' signatures to sign checks. Policies and procedures are not being followed in that access to the stamp is not limited to the signee.

Criteria: Policies and procedures should be in place regarding access to signature stamp and approval of use.

Effect: Unlimited access to the stamp and usage without approval of signee further increases risk as a result of lack of segregation of duties that can lead to misappropriation of funds that are not detected during the normal course of business.

Recommendation: That the County implement a policy that requires a review of the invoice or other supporting documentation before the check is signed, and that the checks be personally signed by the Commissioners or stamped by signee.

Response: Management has instituted a policy that requires a review of the invoice or other supporting documentation before the check is mailed. The signature stamp was instituted because of the lack of availability of the Commissioners to sigh checks when needed. Access to the signature stamp is limited.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

SIGNIFICANT DEFICIENCY

08-1 Segregation of duties finding same as financial statement finding 06-01.

COMPLIANCE FINDINGS

Major Programs:
Economic Development Administration Public Works (EDA)
Program/Infrastructure Improvements - CFDA No. 11.300; Grant Period: Year Ended December 31, 2011

10-1 Compliance

Condition: Funds were not expended on the grant in accordance with the percentage contribution on a reimbursement basis.

Criteria: In accordance with the EDA grant, the grant is a reimbursement type grant and the EDA will contribute it's contribution percentage to each invoice paid for the grant. After the invoices are paid, the grantee requests reimbursement based on amounts actually paid.

Effect: By not allocating a percentage of each invoice to EDA funds, EDA has reimbursed for invoices that have been funded 100% by other funding sources.

Cause: Based on the advice of project grant administrators and due to the timing of the availability of the grant funds, the County applied for other funding sources early in the process and intended to pay for later expenditures with EDA funds once they became available.

Context: The expenditure of the EDA funds does not agree to the reimbursement paid as a result of the draw request.

Recommendation: Management should coordinate all grant programs to be sure that the application of funds requirement of each grant is met throughout the project.

Response: We concur that expenditures should have been prorated across all eligible funding sources. We have provided EDA a schedule of actual expenditures of the funds for approval. All amounts received from EDA were ultimately spent on eligible costs. We, along with grant administrators, will monitor all grant expenditure requirements on a going forward basis.

Department of Housing and Urban Development
CDBG Small Cities Program - CFDA No. 14.219; Grant Period: Year Ended December 31, 2011

11-4 Compliance

Condition: Funds were not expended within three days of when grant funds were deposited into the account.

Criteria: In accordance with grant documentation, funds are to be disbursed within three days of receiving the electronic deposit.

Effect: The County could be required to return the proceeds if not disbursed within the time limit.

Cause: The County was in the process of hiring a new County Administrator during this time, and no one was responsible for ensuring the funds were disbursed timely.

Context: The expenditure of the funds were not within the time limits established by the grant.

Recommendation: Management should coordinate all grant programs to be sure that the disbursement of funds requirement of each grant is met throughout the project.

Response: We concur, and since the new County Administrator has been in place the disbursement of funds has been timely.

TWIGGS COUNTY, GEORGIA
Summary Schedule of Prior Audit Findings
For The Fiscal Year Ended December 31, 2011

Prior Year Findings and Significant Deficiencies:

Prior Year Findings - The current year finding, 10-1, was a finding in the prior year and was first reported in the fiscal year ended December 31, 2010. See management's response for the finding in 10-1.

Prior Year Significant Deficiency - The current year significant deficiency 08-1 was a significant deficiency in the prior year and was first reported in the fiscal year ended December 31, 2008. It is the same finding as financial statement audit finding 06-01. See managements's response for finding 06-01.

ANNUAL REPORT OF 9-1-1 EXPENDITURES

Twiggs County, Georgia

Certification of 9-1-1 Expenditures

For the Year Ended December 31, 2011

Line No.		O.C.G.A. Reference	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):		
	X Special Revenue Fund ____ Enterprise Fund		
2	Expenditures (UCOA Activity 3800) Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(G)	
	_____		$ _____
	_____		$ _____
	_____		$ _____
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
3a	Lease costs	46-5-134(D)(1)(A)	$ 87,708
3b	Purchase costs	46-5-134(D)(1)(A)	$ _____
3c	Maintenance costs	46-5-134(D)(1)(A)	$ 28,393
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(D)(1)(B)	$ 31,441
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2		
5a	Salaries and wages	46-5-134(D)(1)(C)	$ _____
5b	Employee benefits	46-5-134(D)(1)(C)	$ _____
6	Cost of training of employees who work as dispatchers or directors	46-5-134(D)(1)(D)	$ _____
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(D)(1)(E)	$ _____
8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(D)(1)(F)	$ _____
8b	Purchase costs	46-5-134(D)(1)(F)	$ _____
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:		
9a	Lease costs	46-5-134(D)(1)(G)	$ _____
9b	Purchase costs	46-5-134(D)(1)(G)	$ _____
9c	Maintenance costs	46-5-134(D)(1)(G)	$ _____
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(D)(1)(H)	$ _____
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
11a	Lease costs	46-5-134(D)(1)(I)	$ _____

Twiggs County, Georgia

Certification of 9-1-1 Expenditures

For the Year Ended December 31, 2011

Line No.		O.C.G.A. Reference	
11b	Purchase costs	46-5-134(b)(1)(B)	$
11c	Maintenance costs	46-5-134(b)(1)(C)	$
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(b)(2)(B)(i)	$
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(b)(2)(B)(ii)	$
13b	Purchase costs	46-5-134(b)(2)(B)(ii)	$
13c	Maintenance costs	46-5-134(b)(2)(B)(ii)	$
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(b)(2)(B)(iii)	$
15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(b)(2)(B)(iv)	$
15b	Purchase costs	46-5-134(b)(2)(B)(iv)	$
15c	Maintenance costs	46-5-134(b)(2)(B)(iv)	$
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(b)(2)(B)(v)	$
16b	Purchase costs	46-5-134(b)(2)(B)(v)	$
16c	Maintenance costs	46-5-134(b)(2)(B)(v)	$

17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.	
_____		$
_____		$
_____		$
_____		$
_____		$
_____		$

Twiggs County, Georgia

Certification of 9-1-1 Expenditures

For the Year Ended December 31, 2011

Line No.		O.C.G.A. Reference	
			$
			$
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)		$ 147,542

Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by the service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official Ray A Bennett Date: June 11, 2012

Print Name of Chief Elected Official: Ray Bennett Ray A. Bennett

Title of Chief Elected Official: Chairman

Signature of Chief Financial Officer Terry Bates Date: June 11, 2012

Print Name of Chief Financial Officer: Terry Bates, Administrator