WILKES COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the year ended JUNE 30, 2012

Wilkes County, Georgia
Annual Financial Report
June 30, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Wilkes County, Georgia

I have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information, and discretely presented component unit of Wilkes County, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Wilkes County, Georgia's, management. My responsibility is to express opinions on these financial statements based on my audit. We did not audit the financial statements of the Wilkes County Health Department, Georgia, a discrete component unit, which represent less than 1% of the net assets and revenues of Wilkes County, Georgia. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Wilkes County Health Department, Georgia, is based on the report of the other auditors.

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

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

In accordance with Government Auditing Standards, I have also issued a report dated December 28, 2012, on my consideration of Wilkes County's internal control over financial reporting and my tests of its compliance with laws regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

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

Steven G. Albertson, CPA
Washington, Georgia
December 28, 2012

BASIC FINANCIAL STATEMENTS

Government Wide Financial Statements

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

	Primary Government	Component Units
	Governmental Activities	Governmental Activities
Assets		
Current Assets		
Cash and Cash equivalents	1,946,530	621,167
Investments		
Receivables:		
Accounts		
Property taxes	1,681,569	
Intergovernmental		11,901
Other		868
Internal balances		
Component units		
Inventory		
Prepaid items	500,750	
Capital Assets		
Nondepreciable capital assets	1,354,651	511,435
Depreciable capital assets, net	19,726,921	3,014,025
Total Assets	25,210,421	4,159,396
Liabilities		
Current Liabilities		
Pooled cash payable		
Accounts payable		14,783
Accrued liabilities (Landfill Postclosure Current period)	24,750	
Custom deposits		
Due to primary governments		
Accrued interest		
Unearned revenue		
Compensated absences payable		11,576
Bonds payable (current period)	510,000	
Long Term Liabilities		
Compensated absences payable (net of current portion)		
Long Term Notes Payable		2,386,422
Landfill Postclosure monitoring	396,000	
BAN - Bond Liability	2,710,000	
Total Liabilities	3,640,750	2,412,781
Net Assets		
Invested in capital assets, net of related debt	17,861,572	1,139,038
Restricted for:		
Debt service		
Capital projects		
Program purposes	1,581,863	55,323
Unrestricted	2,126,236	552,254
Total Net Assets	21,569,671	1,746,615
Total Liabilites and Net Assets	25,210,421	4,159,396

See accompanying notes to the basic financial statements

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

Functions	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Fines, Contributions, and Interest	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units: Governmental Activities	Component Units: Business-Type Activities	Component Units: Total
Primary Government									
Governmental Activities									
General government	2,693,390	545,225	0	-2,148,165		-2,148,165			
Judicial	495,858		0	-495,858		-495,858			
Public safety	3,716,241	760,620	1,304,319	-1,651,302		-1,651,302			
Public works	867,763		0	-867,763		-867,763			
Solid Waste Management	927,846		0	-927,846		-927,846			
Health and Welfare	584,474		0	-584,474		-584,474			
Culture and recreation	233,508		0	-233,508		-233,508			
Industrial Development	121,835		0	-121,835		-121,835			
Interest	41,916		0	-41,916		-41,916			
Natural Resources	39,487		0	-39,487		-39,487			
Total Governmental Activities	9,722,317	1,305,846	1,304,319	-7,112,153	0	-7,112,153			
Component Units									
Wilkes County Health Department	259,302	55,477	219,452				15,627		15,627
Washington-Wilkes Payroll Development Authority	737,435	665,896	0				-71,539		-71,539
Washington-Wilkes Parks And Recreation Department	227,132	16,815	233,347				23,030		23,030
Total Component Units	1,223,869	738,188	452,799				-32,882		-32,882
General Revenues									
Property taxes levied for:									
General purposes				4,433,236		4,433,236			
Debt service				0		0			
Sales taxes				1,817,980		1,817,980			
Investment earnings				40,818		40,818	0		0
Miscellaneous				409,386		409,386	0		0
Total General Revenues				6,701,420		6,701,420	0	0	0
Transfers									
Total General Revenues and Transfers				6,701,420		6,701,420	0	0	0
Change in Net Assets				-410,733		-410,733	-32,882	0	-32,882
Net Assets beginning of year				21,980,404		21,980,404	1,779,497	0	1,779,497
Prior Period adjustment (Note 2)				0		0			
Net Assets End of Year				21,569,671		21,569,671	1,746,615	0	1,746,615

See accompanying notes to the basic finnancial statements

Fund Financial Statements

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

	General	SPLOST 2011	SPLOST 2005	SPLOST 2000	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	$ 365,336	$ 1,213,465	$ -	$ 134,461	$ 233,948	$ 1,947,210
Taxes Receivable	$ -	$ -	$ -	$ -	$ -	$ -
Due From Other Funds	$ -	$ -	$ -	$ -	$ -	$ -
Due From State of Georgia	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 365,336	$ 1,213,465	$ -	$ 134,461	$ 233,948	$ 1,947,210
Liabilities						
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to Other Funds	$ -	$ -	$ -	$ -	$ -	$ -
Due to Other Governments	$ -	$ -	$ -	$ -	$ -	$ -
BAN - Bonds Payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to Others	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities	$ -	$ -	$ -	$ -	$ -	$ -
Fund Equity						
Fund Balance:						
Reserved for Statutory Purposes	$ -	$ -	$ -	$ -	$ 233,937	$ 233,937
Designated for Project Completion	$ -	$ 1,213,465	$ 0	$ 134,461	$ -	$ 1,347,926
Reserved for Special Purposes	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	$ 365,336	$ -	$ -	$ -	$ (0)	$ 365,336
Total Fund Equity	$ 365,336	$ 1,213,465	$ 0	$ 134,461	$ 233,937	$ 1,947,199
Total	$ 365,336	$ 1,213,465	$ 0	$ 134,461	$ 233,937	$ 1,947,199

See accompanying notes to the basic financial statements.

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

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

Total Fund balance on Balance Sheet	1,947,199
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (capital assets net of depreciation: see Note 4-D)	21,081,572
Accrual for Landfill post-closure monitoring is not included in the funds.	-420,750
Adjustment for fixed asset depreciation accrual/retirement	0
Taxes previousely accrued collected	2,172,016
Bond accrual for 2011 Bonds	-3,220,000
less expended for issuance	9,634
Net assets of governmental activities	21,569,671

See accompanying notes to the basic fianacial statements

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

	General	SPLOST 2011	SPLOST 2005	Splost 2000	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 4,212,185	$ 1,666,143	$ 151,837	$ -	$ 221,051	$ 6,251,216
Licenses and Permits	$ 13,157			$ -	$ -	$ 13,157
Intergovernmental Revenues	$ 45,348			$ -	$ -	$ 45,348
Charges for Services	$ 745,371			$ -	$ -	$ 745,371
Fines and Fees	$ 545,225			$ -	$ -	$ 545,225
Miscellaneous	$ 1,569,893	$ 2,474	$ 36,943	$ 1,205	$ 195	$ 1,610,711
Total Revenues	$ 7,131,179	$ 1,668,618	$ 188,780	$ 1,205	$ 221,246	$ 9,211,028
Current Operating Expenditures						
General Government	$ 2,054,063			$ -	$ -	$ 2,054,063
Court System	$ 495,858			$ -	$ -	$ 495,858
Public Safety	$ 3,504,522			$ -	$ 60,605	$ 3,565,127
Highways, Roads, and Bridges	$ 867,763			$ -	$ -	$ 867,763
Solid Waste Management	$ 919,678			$ -	$ -	$ 919,678
Health and Welfare	$ 398,394			$ -	$ 186,079	$ 584,474
Culture and Recreation	$ 233,508			$ -	$ -	$ 233,508
Industrial Development	$ 92,610			$ -	$ 29,225	$ 121,835
Natural Resources	$ 39,487			$ -	$ -	$ 39,487
Total Operating Expenditures	$ 8,605,882	$ -	$ -	$ -	$ 275,909	$ 8,881,792
Capital Expenditures						
General Government	$ -	$ 42,194	$ 244,069	$ -	$ -	$ 286,262
Intergovernmental	$ -	$ 349,142	$ 37,817	$ -	$ -	$ 386,959
Public Safety	$ -	$ 543,002	$ -	$ -	$ -	$ 543,002
Highways, Roads, and Bridges	$ -		$ 204,108	$ -	$ -	$ 204,108
Solid Waste Management	$ -			$ -	$ -	$ -
Health and Welfare	$ -			$ -	$ -	$ -
Culture and Recreation	$ -			$ 15,889	$ -	$ 15,889
Industrial Development	$ -			$ -	$ -	$ -
Natural Resources	$ -			$ -	$ -	$ -
Buildings	$ -	$ 1,948,077		$ -	$ -	$ 1,948,077
Total Capital Expenditures	$ -	$ 2,882,414	$ 485,994	$ 15,889	$ -	$ 3,384,297
Debt Service:						
Principle Retirement	$ -	$ -	$ -	$ -	$ -	$ -
Interest and fiscal Charges	$ -	$ (41,916)	$ -	$ -	$ -	$ (41,916)
Excess (Deficiency) of Revenues over Expenditures	$ (1,474,704)	$ (1,255,712)	$ (297,214)	$ (14,684)	$ (54,663)	$ (3,096,977)
Other Financing Sources (Uses)						
Transfers	$ (70,681)		$ -	$ -	$ 70,681	$ -
Short term LOC	$ 1,201,325		$ -			$ 1,201,325
Bond Proceeds (Net)	$ -	$ -				$ -
	$ -			$ -	$ -	$ -
						$ -
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	$ (344,059)	$ (1,255,712)	$ (297,214)	$ (14,684)	$ 16,018	$ (1,895,652)
Fund Balance beginning of year	$ 709,396	$ 2,469,177	$ 297,214	$ 149,145	$ 217,919	$ 3,842,851
Fund Balance end of year	$ 365,336	$ 1,213,465	$ 0	$ 134,461	$ 233,937	$ 1,947,199

See accompanying notes to the basic financial statements.

Wilkes County, Georgia
Reconcilitation of the Statement of Revenues, Expenditures, and Changes in Fund balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2012

Amounts reported for governmental activiies in the statement of activities are different because:			
Net change in Fund balances - total governemental funds			(1,895,652)
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. Less SPLOST pass-throughs.			2,997,338
Total SPLOST and General Fund Capital Expenditures		3,384,297	
Less pass throughs to other governmental entities		-386,959	
Bond principle payments SPLOST 2011 (payment of BAN due 09/1/12)			0
Bond Payment shown (made in advance of due date)		0	
Previously accrued to Statement of Activities		0	
Bond Proceeds			
Road/Building Improvements expensed rather than capitalized			(204,108)
Landfill closure and post-closure care (difference if any between accrual and actual)			8,168
Accrual	2012	24,750	
Actual	2012	16,582	
Depreciation for the current year.			(634,408)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			(682,071)
Change in net assets of governmental activities.			(410,733)

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

Wilkes County, Georgia
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2012

Assets	
Cash	$ 637,322
Taxes Receivable, net	$ -
Accounts Receivable	$ -
Due from other Funds	$ -
Total Assets	$ 637,322
Liabilities	
Accounts Payable	$ -
Due to Others	$ 637,322
Due to other governments	$ -
Due to other funds	$ -
Total Liabilities	$ 637,322

See accompanying notes to the basic financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wilkes County, Georgia, was organized in 1777 by an act of the Georgia State Legislature. The county operates under a five member Board of Commissioners, and the chairman serves as chief executive officer of the County.

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

A. THE REPORTING ENTITY

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

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization it the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization.

Discretely presented component units generally are reported only at the government-wide financial reporting level.

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

The county has three component units.

The Washington-Wilkes Parks and Recreation Department: A combined city/county parks and recreation department funded by both the City of Washington and the county to provide recreational and cultural experiences for the residents. The full audited financial statements are available at:

WWPRC
Academy Park Offices
Washington, Georgia 30673

The Washington-Wilkes Payroll Development Authority: A state chartered authority designed to enhance and improve the commercial and industrial base in the County fully funded by the county and state/federal grants. The full audited statements are available at:

Washington-Wilkes Board of Commissioners
Court Street
Washington, Georgia 30673

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

Wilkes County Health Department
Gordon Street
Washington, Georgia 30673

B. BASIS OF PRESENTATION

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

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

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

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

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

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

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

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

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

Government Funds – Governmental funds are those through which most governmental functions typically

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

General Fund – The general fund accounts for all financial resources except those required to be accounted for in other funds. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Georgia.

Special Purpose Local Option Sales Tax 2000 – This capital projects fund is used to account for a SPLOST collected through the end of October 2005. The uses of these revenues are specified by a referendum passed by the voters of the County, and are used for road construction and other purposes.

Special Purpose Local Option Sales Tax 2005 – This capital projects fund is used to account for a SPLOST collected through the end of October 2011. The uses of these revenues are specified by a referendum passed by the voters of the County, and are used for road construction and other purposes

Other funds that the County has are:

Special Revenue Fund - The Special Revenue Fund is used to account for specific revenue sources, including special services district, grants, and similar trust funds, that are legally restricted to expenditures for specified purposes.

Capital Projects Fund – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds, Special Assessment Funds, and Trust Funds).

Fiduciary Fund Types

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

The County has no proprietary type funds.

C. BASIS OF ACCOUNTING

Measurement Focus/Basis of Accounting

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

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic

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

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

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

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

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

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.
Sales taxes collected by the State of Georgia, Department of Revenue, for the May and June sales are reported as deferred revenue at year-end. Property taxes receivable not collected within 60 days of year-end have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

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

D. Assets, Liabilities and Fund Equity

1-D-1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.
Investments are stated at fair value based on quoted market prices.

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

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the government or governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

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

1-D-2. Receivables

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

1-D-3. Interfund Balances

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

1-D-4. Consumable Inventories

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

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

1-D-5. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market value as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads, bridges, and water and sewer lines. Improvements (i.e., betterments) to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

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

Buildings	40 years
Heavy Equipment	7 years

Vehicles	7 Years
Roads & Bridges	50 years

1-D-6. Compensated Absences

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

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

The total compensated absence liability has not been reported on the government-wide financial statement. Vacation and personal or sick leave can be accumulated, but is paid currently and not upon termination or retirement. The County is changing this policy for the next fiscal year. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

1-D-7. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid form governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Debt service expenditures are recognized as a liability in the governmental fund financial statements when due.

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

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

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

1-D-9. Fund Equity

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

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

Net Assets – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The net asset amount also is adjusted by any bond issuance deferred amounts. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of governments. All other net assets are reported as unrestricted.

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

1-D-11. Interfund Activity

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

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

1-D-12. Estimates

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

1-D-13. Comparative Data

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

NOTE 2 **Reserved**

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

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

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

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

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

3-B. Excess of Expenditures Over Appropriations

The general fund had no expenditures in excess of appropriations.

4-A. Deposits and Investments

Deposits – The bank balance is classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by the County or by its agent in its name, 2) cash collateralized with

securities held by the pledging financial institution's trust department or agent in the County's name, and 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging institution's trust department or agent but not in the County's name.

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

Credit risk Category	Discrete Comp. Units	Government
Category 1	$ 621,167	$ 1,946,530
Category 2		0
Category 3		0
Total	$ 621,167	$ 1,946,530

The carrying amount of these deposits was $1,734,235 for all funds including Agency funds but not component units. Component unit carrying amounts are $614,167.

4-B. Receivables

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

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

4-C. Property Taxes

Normally, property tax levies are set by the County in September of each year for collection in the following December. Taxes are levied annually by the County and for the year ended June 30, 2012, the levy has not yet occurred. Due to revaluation delays, the 2009 digest was finalized and taxes assessed with a due date of January 3, 2010, the 2010 digest was completed and final bills sent with a due date of January 3, 2012. The 2012 digest has not yet been finalized. The County has recorded taxes in accordance with Note 1-C above which would include in the fund level statements taxes collected for prior years (2009 and 2010.)

4-D. Capital Assets

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Land	1,354,651	0	0	1,354,651
Other capital assets				
Buildings and improvements (WIP incl)	15,210,154	1,626,600	0	16,836,754
Equipment	4,342,469	130,454	0	4,472,923
Infrastructure	13,050,652	0	0	13,050,652
Total other capital assets at historic cost	32,603,275	1,757,054	0	34,360,329
Less accumulated depreciation				
Buildings and improvements	(8,022,827)	(300,298)	78,017	(8,245,108)
Equipment	(3,894,421)	(151,114)		(4,045,535)
Infrastructure	(2,081,752)	(261,013)		(2,342,765)
Total accumulated depreciation	(13,999,000)	(712,425)	78,017	(14,633,408)
Other capital assets net	18,604,275	1,044,629	78,017	19,726,921
Governmental activities:capital assets, net	19,958,926	1,044,629	78,017	21,081,572

Gen Gov	(483,294)
Pub safety	(151,114)

4-E. Interfund Balances and Transfers

Historically $1600 of general fund monies was loaned to various agency funds to create bank accounts. These interfund balances were eliminated by closing the amounts due to the general fund for statement purposes. These will eventually be returned when or if the accounts are closed in the future.

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

General Fund to the Section 5311 Fund (Special Revenue) $70,681

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and to return money to the fund from which it was originally provided, once a project is completed. All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

4-F. Compensated Absences

The county grants vacation, personal, and sick leave on an as needed basis subject to certain limitations. The county does not pay accumulated sick leave upon termination or retirement. The County has not accrued vacation time, and does not believe the amount to be material.

4-G. Long-Term Debt

Primary Government – Summary of General Obligation Bonds – The following is a summary of the outstanding general obligation long-term bond issues at June 30, 2012:

BAN Bonds 2011 SPLOST

Year	Principle	Interest	Payment	Interest Rate	Balance
9/1/2011					$3,220,000
9/1/2012	$ 510,000	$ 5,100	$ 515,100	2.00%	$2,710,000
9/1/2013	$ 520,000	$ 5,200	$ 525,200	2.00%	$2,190,000
9/1/2014	$ 525,000	$ 5,906	$ 530,906	2.25%	$1,665,000
9/1/2015	$ 540,000	$ 8,100	$ 548,100	3.00%	$1,125,000
9/1/2016	$ 555,000	$ 8,325	$ 563,325	3.00%	$ 570,000
9/1/2017	$ 570,000	$ 9,263	$ 579,263	3.25%	$ -
	$3,220,000	$ 41,894	$3,261,894		

Recap of Long-term Debt

	Balance 7/1/11	Additions	Retirements	Balance 6/30/12
GO Bonds				
BAN 2011 Bonds	3,220,000		0	3,220,000
Landfill Postclosure Care	445,500		24,750	420,750
Totals	3,665,500		24,750	3,640,750

The long-term debt of Wilkes County also consists of an accrual for the closure and postclosure care associated with the solid waste landfill and is fully described in Note 7.

4-H . RETIREMENT BENEFITS

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

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

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

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

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

The County joined the ACCG pension plan on September 9, 1999. The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility requirements are met. An outline of plan provisions is noted below.

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

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

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 55% equities and 45% fixed income securities on a cost basis.

Contributions: The county is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state required annual funding requirement.

The Georgia constitution enables the governing authority of the County, Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants.

Required Supplementary Information

Measurement Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2)-(1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a percentage of Covered Payroll (4)/(5)
12/31/06	738,401	1,327,481	55.6%	589,080	1,439,341	40.9%
12/31/07	787,665	1,350,360	58.3%	562,695	1,506,846	37.3%
12/31/08	878,137	1,595,840	55.0%	717,703	1,523,512	47.1%
12/31/09	1,083,777	1,783,216	60.8%	699,439	1,617,400	43.2%
12/31/10	1,243,855	2,012,964	61.8%	769,109	1,914,889	40.2%

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

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

Schedule of Accrued Liabilities

1. Actuarial Present Value of Accumulated Plan Benefits	
a. Vested	
i. Retirees (and others in pay status)	$ 374,390
ii. Deferred Vested (former employees)	$ 202,859
iii. Vested Active Participants	$ 870,454
Total	$ 1,447,703
b. Nonvested	80,088
Total	$1,307,982
2. Effect of future salary increases	$ 255,425
3. Total Actuarial Accrued Liability	$1,783,216
4. Net assets available for benefits (includes receivables)	$ 1,027,041
5. Net assets in Excess of Actuarial Present value of Accumulated Plan benefits	($500,750)
6. Principle Actuarial Assumptions	
a. Investment return	7.75%
b. Rate of Future Salary Increases (not applicable to Accumulated Plan benefits calculations)	3.0%-5.5%

Schedule of Employer Contributions

Fiscal Year Beginning	Annual Pension Cost	Actual County Contribution	Percentage Contributed
1/1/2006	149,483	186,504	125.0%
1/1/2007	153,806	189,780	123.4%
1/1/2008	162,801	193,880	119.1%
1/1/2009	189,146	202,080	107.3%
1/1/2010	219,566	222,170	101%
1/1/2011	221,203	N/A	N/A

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 1999. The following summarizes the actuarial methods and assumptions used in that valuation:

Valuation Date:	1/1/2011
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent of Pay (closed)
Remaining Amortization Period:	10 years

Actuarial assumptions:

Assumed rate of return on assets	7.75% per year
Expected future salary increases	3.0-5.5% per year
Cost of Living adjustments	3.0% per year

*includes expected inflation rate of 3.0% per year

Additional information and the complete annual report of the Plan are available at the County Clerk's office in the Courthouse.

The County also maintains a Section 125 cafeteria plan for its employees, whereby health insurance premiums are treated as pre-tax benefits, in accordance with the provisions of Internal Revenue Code Section 125.

4-I. COMPARATIVE DATA

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

NOTE 5. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

5-A. COMPLIANCE WITH LEGAL AND CONTRACTUAL PROVISIONS

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

5-B. DEFICIT FUND BALANCES

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

NOTE 6. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

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

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

6-C. FINANCIAL ASSISTANCE
During the year ended June 30, 2012, Wilkes County expended Federal/State/Private financial assistance in the amount of $216,161 under a variety of grants.

NOTE 7. LANDFILL CLOSURE AND POSTCLOSURE CARE
State and federal laws require the county to place a final cover on its current landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The closure permit date for the county's SW landfill was July 1, 2001. The county must recognize an estimated liability for the cost of putting the final cover on the landfill and monitoring it in accordance with applicable state and federal laws. These laws are subject to change over time as new technologies are developed, thus making the estimated liability subject to change in future years. Also, inflation or deflation may also change the estimate. The county pays for monitoring out of general fund revenues, but has a $275,000 certificate of deposit in reserve allocated for these costs.

The county must recognize a liability based on the total estimated liability of closure and postclosure care costs. The county has set aside some funds in a special revenue account. The difference in what has

been restricted to the closure and postclosure costs and the estimated accrued liability is reported as general long-term debt.

Continuing Costs are estimated as follows:
Estimated Postclosure Monitoring

Years 1-5 at $33,500	$167,500
Years 6-30 at $24,750	$618,750
Total Estimated Costs	$1,293,749

The detail by year is as follows:

	Estimates	Expended
Tibble & Richardson Estimate		
Estimated Closure Cost	$ 507,499.00	$507,499.00
Expended		
Monitoring		
2000	$ 33,500.00	$ 33,500.00
2001	$ 33,500.00	$ 33,500.00
2002	$ 33,500.00	$ 19,331.83
2003	$ 33,500.00	$ 33,500.00
2004	$ 33,500.00	$ 23,312.00
2005	$ 24,750.00	$ 23,312.00
2006	$ 24,750.00	$ 29,648.40
2007	$ 24,750.00	$ 30,761.25
2008	$ 24,750.00	$ 29,957.25
2009	$ 24,750.00	$ 25,946.20
2010	$ 24,750.00	$ 16,582.00
2011	$ 24,750.00	$ 16,582.00
2012	$ 24,750.00	$ 16,582.00
2013	$ 24,750.00	
2014	$ 24,750.00	
2015	$ 24,750.00	
2016	$ 24,750.00	
2017	$ 24,750.00	
2018	$ 24,750.00	
2019	$ 24,750.00	
2020	$ 24,750.00	
2021	$ 24,750.00	
2022	$ 24,750.00	
2023	$ 24,750.00	
2024	$ 24,750.00	
2025	$ 24,750.00	
2026	$ 24,750.00	
2027	$ 24,750.00	
2028	$ 24,750.00	
2029	$ 24,750.00	
	$ 786,250.00	
Total Estimate	$1,293,749.00	
Estimate Expended	$ 872,999.00	$840,013.93
Actual Expended	$ 840,013.93	
Amount to be provided	$ 420,750.00	
Acrual adjustment	$ 32,985.07	

NOTE 7. RELATED PARTY TRANSACTIONS
The County had no material related party transactions.

NOTE 8. RISK FINANCING ACTIVITIES

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

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

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

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

NOTE 9. SUBSEQUENT EVENTS

There were no subsequent events of a material nature that would affect the general purpose financial statements.

NOTE 10. JOINT VENTURES

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

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

NOTE 11 HOTEL/MOTEL TAX

Wilkes County has levied a 5% hotel/motel tax. A summary of the transactions for the current fiscal year are as follows:

Hotel/Motel Tax Receipts	$27,215
Disbursements for tourism promotion	(29,225)
Balance	$1,000

The expenditures were for promotion of tourism as required by OCGA 48-13-51.

ACCOUNTANT'S REPORTS AND SUPPLEMENTAL INFORMATION

GENERAL FUND

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

Assets		
Cash	$	363,736
Taxes Receivable (net of allowance for uncollectible)	$	-
Due from State of Georgia	$	-
Due from other Funds	$	1,600
Total Assets	$	365,336
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	$	-
Due to Special Revenue Fund	$	-
Due to other governments	$	-
Total Liabilities	$	-
Fund Balance		
Reserved for Grant Completions	$	-
Unreserved and Undesignated	$	365,336
Total Liabilities and Fund Balance	$	365,336

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

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

	Budget			
	Original	Final	Actual	Difference
Revenues				
Taxes	$ 4,222,644	$ 4,315,147	$ 4,212,185	$ (102,962)
Licenses and Permits	$ 12,200	$ 12,200	$ 13,157	$ 957
Intergovernmental Revenues	$ 1,348,207	$ 1,398,440	$ 45,348	$ (1,353,092)
Local option sales tax	$ 660,918	$ 736,000	$ 745,371	$ 9,371
Charges for Services	$ 500,000	$ 496,010	$ 545,225	$ 49,215
Fines and Fees	$ 1,704,329	$ 1,450,579	$ 1,304,319	$ (146,260)
Miscellaneous	$ 106,800	$ 181,358	$ 265,574	$ 84,217
Total Revenues	$ 8,555,098	$ 8,589,734	$ 7,131,179	$ (1,458,555)
Expenditures				
Operating				
General Government	$ 659,645	$ 2,054,063	$ 2,054,063	$ -
Court System	$ 491,786	$ 495,858	$ 495,858	$ -
Public Safety	$ 2,200,584	$ 3,504,522	$ 3,504,522	$ -
Highways, Roads, and Bridges	$ 724,213	$ 867,763	$ 867,763	$ -
Solid Waste Management	$ 767,672	$ 919,678	$ 919,678	$ -
Health and Welfare	$ 441,950	$ 398,394	$ 398,394	$ -
Culture and Recreation	$ 204,422	$ 233,508	$ 233,508	$ -
Industrial Development	$ 61,106	$ 92,610	$ 92,610	$ -
Natural Resources	$ 77,700	$ 39,487	$ 39,487	$ -
Total Expenditures	$ 5,629,078	$ 8,605,882	$ 8,605,882	$ -
Capital Expenditures				
General Government	$ 10,000	$ -	$ -	$ -
Court System	$ -	$ -	$ -	$ -
Public Safety	$ 85,000	$ 36,209	$ -	$ 36,209
Highways, Roads, and Bridges	$ -	$ -	$ -	$ -
Solid Waste Management	$ -	$ -	$ -	$ -
Health and Welfare	$ -	$ -	$ -	$ -
Culture and Recreation	$ -	$ -	$ -	$ -
Industrial Development	$ -	$ -	$ -	$ -
Natural Resources	$ -	$ -	$ -	$ -
Buildings	$ -	$ -	$ -	$ -
Total Capital Expenditures	$ 95,000	$ 36,209	$ -	$ 36,209
Excess (Deficiency) of Revenues over Expenditures	$ 2,831,020	$ (52,358)	$ (1,474,704)	$ (1,494,764)
Other Financing Sources (Uses)				
Transfers	$ -	$ -	$ (70,681)	
Short Term Borrowing	$ -	$ -	$ 1,201,325	
Short Term Repayment (Costed)			$ -	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	$ -	$ -	$ (344,059)	
Fund Balance beginning of year	$ -	$ -	$ 709,396	$ -
Fund Balance end of year	$ -	$ -	$ 365,337	$ -

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

SPECIAL REVENUE FUND

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

	Sec. 5311 Transport	Drug Abuse Treatment	Jail Const. and Staffing	Solid Waste Disposal	Sheriff Equipment	Law Library	Indigent Defense	Senior Citizens Building	Hotel/Motel Tax	Totals
Assets										
Cash	$ -	$ 73,236	$ 32,302	$ 100,000	$ 12,870	$ 14,250	$ 290	$ -	$ 1,000	$ 233,948
Due from General Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
Due From State of Georgia	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
Total	$ -	$ 73,236	$ 32,302	$ 100,000	$ 12,870	$ 14,250	$ 290	$ -	$ 1,000	$ 233,948
Liabilities and Fund Balance										
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fund Balance:										
Designated for Statutory and Other Purposes	$ -	$ 73,226	$ 32,302	$ 100,000	$ 12,870	$ 14,251	$ 290	$ 0	$ 1,000	$ 233,937
Total Liabilities and Fund Balance	$ -	$ 73,226	$ 32,302	$ 100,000	$ 12,870	$ 14,251	$ 290	$ 0	$ 1,000	$ 233,937

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

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

	Sec. 5311 Transport	Drug Abuse Treatment	Jail Const. and Staffing	Solid Waste Landfill	Sheriff Equipment	Law Library	Indigent Defense	Snr. Citizens Building	Hotel/Motel Tax	Totals
Revenues										
Receipts	$ 101,403	$ 5,985	$ 36,823	$ -	$ 41,750	$ 7,876	$ -	$ -	$ 27,215	$ 221,051
Interest Earned/Other Receipts	$ -	$ 188	$ -	$ -	$ -	$ -	$ -	$ 7	$ -	$ 195
Total Revenues	$ 101,403	$ 6,173	$ 36,823	$ -	$ 41,750	$ 7,876	$ -	$ 7	$ 27,215	$ 221,246
Expenditures										
Equipment, repairs, and maintenance	$ 4,922	$ -	$ 23,216	$ -	$ 28,289	$ 7,450	$ -	$ -	$ -	$ 63,878
Fuel, Oil, Grease	$ 43,330	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 43,330
Other	$ 123,832	$ 9,224	$ -	$ -	$ 1,000	$ 650	$ -	$ 4,772	$ 29,225	$ 168,702
Total Expenditures	$ 172,084	$ 9,224	$ 23,216	$ -	$ 29,289	$ 8,100	$ -	$ 4,772	$ 29,225	$ 275,909
Excess (Deficiency) of Revenues over Expenditur	$ (70,681)	$ (3,051)	$ 13,607	$ -	$ 12,461	$ (224)	$ -	$ (4,765)	$ (2,010)	$ (54,663)
Transfers From (To) Other Funds										
Transfer From General Fund	$ 70,681	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 70,681
Fund Balance beginning of year	$ -	$ 76,275	$ 18,696	$ 100,000	$ 409	$ 14,474	$ 290	$ 4,765	$ 3,010	$ 217,919
Fund Balance end of year	$ (0)	$ 73,224	$ 32,303	$ 100,000	$ 12,870	$ 14,250	$ 290	$ 0	$ 1,000	$ 233,937

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

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

	Sec. 5311 Transport			Drug Abuse Treatment		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenues						
Receipts	$ 101,403	$ 85,065	$ 16,338	$ 5,985	$ 8,500	$ (2,515)
Interest Earned/Other Receipts	$ -		$ -	$ 188	$ 500	$ (312)
Total Revenues	$ 101,403	$ 85,065	$ 16,338	$ 6,173	$ 9,000	$ (2,827)
Expenditures						
Equipment, repairs, and maintenance	$ 4,922	$ 4,923	$ 1	$ -		$ -
Fuel, Oil, Grease	$ 43,330	$ 43,330	$ 0	$ -		$ -
Other	$ 123,832	$ 123,663	$ (169)	$ 9,224	$ 9,224	$ -
Total Expenditures	$ 172,084	$ 171,916	$ (168)	$ 9,224	$ 9,224	$ -
Excess (Deficiency) of Revenues over Expenditur	$ (70,681)	$ (86,851)	$ 16,505	$ (3,051)	$ (224)	$ (2,827)
Transfers From (To) Other Funds						
Transfer From (to) General Fund	$ 70,681	$ -	$ -	$ -		$ -
Fund Balance beginning of year	$ -	$ -	$ -	$ 76,275		$ -
Fund Balance end of year	$ (0)	$ -	$ -	$ 73,224		$ -

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

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

	Jail Const. and Staffing			Solid Waste Landfill			Sheriff Equipment			Law Library			Indigent Defense		
Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
$ 36,823	$ 40,000	$ (3,177)	$ -	$ -	$ -	$ 41,750	$ 41,750	$ -	$ 7,876	$ 7,876	$ -	$ -	$ 300	$ (300)
$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -		$ -
$ 36,823	$ 40,000	$ (3,177)	$ -	$ -	$ -	$ 41,750	$ 41,750	$ -	$ 7,876	$ 7,876	$ -	$ -	$ 300	$ (300)
$ 23,216	$ 23,216	$ -	$ -	$ -	$ -	$ 28,289	$ 28,289	$ -	$ 7,450	$ 7,450	$ -	$ -		$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -		$ -	$ -		$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ 1,000	$ 1,000	$ -	$ 650	$ 650	$ -	$ -	$ 500	$ 500
$ 23,216	$ 23,216	$ -	$ -	$ -	$ -	$ 29,289	$ 29,289	$ -	$ 8,100	$ 8,100	$ -	$ -	$ 500	$ 500
$ 13,607	$ 16,784	$ (3,177)	$ -	$ -	$ -	$ 12,461	$ 12,461	$ -	$ (224)	$ (224)	$ -	$ -	$ (200)	$ (800)
$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -		$ -	$ -		$ -
$ 18,696		$ -	$ 100,000		$ -	$ 409		$ -	$ 14,474		$ -	$ 290		$ -
$ 32,303		$ -	$ 100,000		$ -	$ 12,870		$ -	$ 14,250		$ -	$ 290		$ -

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

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

Senior Citizens Building			Hotel/Motel Tax Building			Totals		
Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
$ -	$ -	$ -	$ 27,215	$ 29,500	$ (2,285)	$ 221,051	$ 212,991	$ 8,060
$ 7	$ 15	$ (8)	$ -	$ -	$ -	$ 195	$ 515	$ (320)
$ 7	$ 15	$ (8)	$ 27,215	$ 29,500	$ (2,285)	$ 221,246	$ 213,506	$ 7,740
$ -		$ -	$ -		$ -	$ 63,878	$ 63,878	$ 1
$ -		$ -	$ -		$ -	$ 43,330	$ 43,330	$ 0
$ 4,772	$ 4,772	$ -	$ 29,225	$ 29,225	$ -	$ 168,702	$ 169,033	$ 331
$ 4,772	$ 4,772	$ -	$ 29,225	$ 29,225	$ -	$ 275,909	$ 276,242	$ 332
$ (4,765)	$ (4,757)	$ (8)	$ (2,010)	$ 275	$ (2,285)	$ (54,663)	$ (63,011)	$ 8,072
$ -		$ -	$ -		$ -	$ 70,681	$ -	$ -
$ 4,765		$ -	$ 3,010		$ -	$ 217,919	$ -	$ -
$ 0		$ -	$ 1,000		$ -	$ 233,937	$ -	$ -

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

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

	Budget	Actual	Variance
Revenues			
State of Georgia:			
Department of Transportation	$ 69,690	$ 78,533	$ 8,843
Department of Medical Assistance	$ -	$ -	$ -
	$ 69,690	$ 78,533	$ 8,843
Other Purchase of Service Revenue	$ -	$ -	$ -
Participant Contributions	$ 15,375	$ 22,870	$ 7,495
Total Revenues	$ 85,065	$ 101,403	$ 16,338
Expenditures			
Administrative Expenses:			
Personal Services	$ -	$ -	$ -
Vehicle Insurance	$ 2,500	$ 2,500	$ -
Audit Fees	$ -	$ -	$ -
	$ 2,500	$ 2,500	$ -
Operating Expenses:			
Personal Services	$ 119,356	$ 119,353	$ 3
Fuel & Oil	$ 43,330	$ 43,330	$ 0
Vehicle tires and Maint.	$ 4,923	$ 4,922	$ 1
	$ 167,609	$ 167,605	$ 4
Non-Reimbursable Expenses	$ 1,807	$ 1,979	$ (172)
Total Expenditures	$ 171,916	$ 172,084	$ (168)
Excess (Deficiency) of Revenues over Expenditures	$ (86,851)	$ (70,681)	$ 16,170
Other Financing Sources (Uses)			
Operating transfers from (to) General Fund	$ -	$ 70,681	$ 70,681
Net Funds Available	$ -	$ (0)	$ -
Fund Balance beginning of year	$ -	$ -	$ -
Fund Balance end of year	$ -	$ -	$ -

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

Capital Projects Fund

Wilkes County, Georgia
Balance Sheet - Capital Project Fund - SPLOST 2011
June 30, 2012

Assets	
Cash	$ 1,213,465
Due from State of Georgia	$ -
Due from General Fund	$ -
Total Assets	$ 1,213,465
Liabilities	
Accounts Payable	$ -
BAN - Bonds Payable	$ -
Total Liabilities	$ -
Fund Balance	
Reserved for Project Completion	$ 1,213,465
Fund Equity	$ 1,213,465

Wilkes County, Georgia
Statement of Revenues, Expenditures and Fund Balance - Budget and Actual - SPLOST 2011 Fund
For the year and project to date June 30, 2012

	SPLOST 2011			
	Actual	Prior Years	Project Budget	Difference
Revenues				
Receipts	$ 1,666,143	$ -	$ 6,500,000	$ (4,833,857)
Interest Earned/Other Receipts	$ 2,474	$ 1,554	$ 100,000	$ (95,972)
Total Revenues	$ 1,668,618	$ 1,554	$ 6,600,000	$ (4,929,828)
Expenditures				
Capital Equipment	$ 543,002	$ 149,771	$ 1,002,750	$ 309,977
Buildings	$ 1,948,077	$ 510,379	$ 1,578,920	$ (879,536)
Intergovernmental	$ 349,142	$ -	$ 2,399,554	$ -
Road	$ -	$ -	$ 1,118,776	$ 1,118,776
Other Items	$ 42,194	$ 82,592	$ 500,000	$ 375,214
Total Expenditures	$ 2,882,414	$ 742,742	$ 6,600,000	$ 924,432
Excess (Deficiency) of Revenues over Expenditu	$ (1,213,796)	$ (741,188)	$ -	$ (4,005,396)
Debt Service				
BAN - Bond Proceeds (LTD)	$ -	$ 3,210,366	$ -	$ 3,210,366
BAN - Bond Principle (LTD)	$ -	$ -	$ -	$ -
BAN - Bond Interest	$ (41,916)	$ -	$ -	$ (41,916)
Total other Financing Sources (Uses)	$ (41,916)	$ 3,210,366	$ -	$ 3,168,450
Net Funds Available	$ (1,255,712)			
Fund Balance beginning of year	$ 2,469,177			
Fund Balance end of year	$ 1,213,465			

Wilkes County, Georgia
Balance Sheet - Capital Project Fund - SPLOST 2005
June 30, 2012

Assets	
Cash	$ -
Due from State of Georgia	$ -
Due from General Fund	$ -
Total Assets	$ -
Liabilities	
Accounts Payable	$ -
BAN - Bonds Payable	$ -
Total Liabilities	$ -
Fund Balance	
Reserved for Project Completion	$ 0
Fund Equity	$ 0

Wilkes County, Georgia
Statement of Revenues, Expenditures and Fund Balance - Budget and Actual - SPLOST 2005 Fund
For the year and project to date June 30, 2012

	SPLOST 2005			
	Actual	Prior Years	Project Budget (Amended)	Difference
Revenues				
Receipts	$ 151,837	$ 5,357,381	$ 6,500,000	$ (990,782)
Interest Earned/Other Receipts	$ 36,943	$ 1,736,021	$ 1,500,000	$ 272,964
Total Revenues	$ 188,780	$ 7,093,402	$ 8,000,000	$ (717,818)
Expenditures				
Capital Equipment	$ -	$ 800,000	$ 800,000	$ -
Buildings	$ 244,069	$ 2,438,667	$ 2,000,000	$ (682,736)
Intergovernmental	$ 37,817	$ 1,454,637	$ 1,341,000	$ (151,454)
Other	$ -	$ 882,966	$ 883,000	$ 34
Road	$ 204,108	$ 1,061,998	$ 2,142,799	$ 876,693
Total Expenditures	$ 485,994	$ 6,638,268	$ 7,166,799	$ 42,537
Excess (Deficiency) of Revenues over Expenditu	$ (297,214)	$ 455,134	$ 833,201	$ (675,281)
Debt Service				
BAN - Bond Proceeds (LTD)	$ -	$ 2,500,000	$ -	$ 2,500,000
BAN - Bond Principle (LTD)	$ -	$ (2,500,000)	$ -	$ (2,500,000)
BAN - Bond Interest	$ -	$ (304,939)	$ (297,201)	$ (7,738)
Total other Financing Sources (Uses)	$ -	$ (304,939)	$ (297,201)	$ (7,738)
Net Funds Available	$ (297,214)		$ 536,000	
Fund Balance beginning of year	$ 297,214			
Fund Balance end of year	$ 0			

Wilkes County, Georgia
Balance Sheet - SPLOST 2000 Fund
For the year ended June 30, 2012

	SPLOST 2000
Assets	
Cash	$ 134,461
Due from General Fund	$ -
Due From State of Georgia	$ -
Total	$ 134,461
Liabilities and Fund Balance	
Accounts Payable	$ -
Fund Balance:	
Designated for Statutory and Other Purposes	$ 134,461
Total Liabilities and Fund Balance	$ 134,461

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

Wilkes County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances - SPLOST 2000 Fund
For the year ended June 30, 2012

	SPLOST 2000
Revenues	
Receipts	$ -
Interest Earned/Other Receipts	$ 1,205
Total Revenues	$ 1,205
Expenditures	
Equipment, repairs, and maintenance	$ -
Fuel, Oil, Grease	$ -
Other	$ 15,889
Total Expenditures	$ 15,889
Excess (Deficiency) of Revenues over Expenditures	$ (14,684)
Transfers From (To) Other Funds	
Transfer From General Fund	$ -
Fund Balance beginning of year	$ 149,145
Fund Balance end of year	$ 134,461

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

Wilkes County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual versus Budget - SLPOST 2000 Fund
For the year ended June 30, 2012

	SPLOST 2000		
	Actual	Budget	Variance
Revenues			
Receipts	$ -	$ -	$ -
Interest Earned/Other Receipts	$ 1,205	$ -	$ 1,205
Total Revenues	$ 1,205	$ -	$ 1,205
Expenditures			
Equipment, repairs, and maintenance	$ -	$ -	$ -
Fuel, Oil, Grease	$ -	$ -	$ -
Other	$ 15,889	$ 15,889	$ -
Total Expenditures	$ 15,889	$ 15,889	$ -
Excess (Deficiency) of Revenues over Expenditur	$ (14,684)	$ (15,889)	$ 1,205
Transfers From (To) Other Funds			
Transfer From General Fund	$ -		$ -
Fund Balance beginning of year	$ 149,145		$ -
Fund Balance end of year	$ 134,461		$ -

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

AGENCY FUNDS

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

	Clerk of Superior Court	Tax Commissioner	Probate Court	Sheriff	Magistrate Court	Totals
Assets						
Cash and Cash Equivalents	$ 212,693	$ 413,049	$ 1,779	$ 51	$ 9,750	$ 637,322
Total	$ 212,693	$ 413,049	$ 1,779	$ 51	$ 9,750	$ 637,322
Liabilities						
Due to State of Georgia	$ -	$ -	$ -	$ -	$ -	$ -
Due to Other Funds	$ -	$ -	$ -	$ -	$ -	$ -
Due to Other Local Governments	$ -	$ -	$ -	$ -	$ -	$ -
Due to Other	$ 212,693	$ 413,049	$ 1,779	$ 51	$ 9,750	$ 637,322
Total Liabilities	$ 212,693	$ 413,049	$ 1,779	$ 51	$ 9,750	$ 637,322
Fund Equity						
Fund Balance	$ -	$ -	$ -	$ (0)	$ -	$ (0)
Total Fund Balance	$ -	$ -	$ -	$ (0)	$ -	$ (0)
Total	$ 212,693	$ 413,049	$ 1,779	$ 51	$ 9,750	$ 637,322

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

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

	Clerk of Superior Court	Tax Commissioner	Probate Court	Sheriff	Magistrate Court	Totals
Receipts	$ 152,402	$ 10,781,088	$ 322,386	$ 87,501	$ 41,657	$ 11,385,033
Expenditures						
Wilkes County	$ 101,978	$ 4,212,185	$ 205,951	$ 20,039	$ 36,503	$ 4,576,655
City of Tignall	$ -	$ 9,840	$ -	$ -	$ -	$ 9,840
City of Washington	$ -	$ 63,478	$ -	$ -	$ -	$ 63,478
Wilkes County Brd. of Ed.	$ -	$ 6,404,128	$ -	$ -	$ -	$ 6,404,128
Georgia Dept. of Revenue	$ -	$ 91,457	$ -	$ -	$ -	$ 91,457
State of Georgia	$ -	$ -	$ -	$ -	$ -	$ -
Bonds	$ 2,500	$ -	$ 27,250	$ -	$ -	$ 29,750
Other	$ 47,924	$ -	$ 89,185	$ 67,462	$ 5,154	$ 209,725
Total Expenditures	$ 152,402	$ 10,781,088	$ 322,386	$ 87,501	$ 41,657	$ 11,385,033
Excess (Deficiency) of revenues over expenditures	$ 0	$ (0)	$ (0)	$ -	$ -	$ (0)
Beginning Fund Balance	$ -	$ -	$ -	$ -	$ -	$ -
Ending Fund Balance	$ 0	$ (0)	$ (0)	$ -	$ -	$ (0)

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

SPECIAL PURPOSE LOCAL OPTION SALES TAX

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

Num	Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
1	**For Roads & Bridges, Hospital, Fire Equipment, and Recreation (Effective (11/1/2000-10/31/2005)**					
	Budgeted Breakout					
	Capital Buildings	$ 735,100	$ 794,252	$ -	$ 794,252	108.0%
	Fire Vehicles/Buildings	$ 400,000	$ 394,754		$ 394,754	98.7%
	Hospital	$ 600,000	$ 959,306		$ 959,306	159.9%
	Recreation	$ 150,000	$ 342,471	$ 15,889	$ 358,360	238.9%
	City of Washington - Water/Sewer	$ 600,000	$ 1,322,047	$ -	$ 1,322,047	220.3%
	City of Tignall - Recreation	$ 42,000	$ 41,264		$ 41,264	98.2%
	City of Tignall - Water/Sewer	$ 62,000	$ 83,737		$ 83,737	135.1%
	City of Rayle - Water	$ 25,000	$ 16,699		$ 16,699	66.8%
	Subtotal	$ 2,614,100	$ 3,954,530	$ 15,889	$ 3,970,419	151.9%
	Roads & Bridges	$ 1,710,000	$ 1,399,097	$ -	$ 1,399,097	81.8%
	Interest	$ 671,163	$ 671,163	$ -	$ 671,163	100.0%
	Bond cost Recovery	$ 4,737	$ 4,737	$ -	$ 4,737	100.0%
	Subtotal	$ 675,900	$ 675,900	$ -	$ 675,900	100.0%
	Grand Total	$ 5,000,000	$ 6,029,527	$ 15,889	$ 6,045,416	120.9%
2	**For Roads & Bridges, Courthouse, EMS Equipment, and Recreation (Effective (11/1/2005-06/30/2011)**					
	Budgeted Breakout					
	Capital Buildings	$ 1,260,000	$ 2,438,667	$ 244,069	$ 2,682,736	212.9%
	City of Washington	$ 1,000,000	$ 1,228,135	$ 31,929	$ 1,260,064	126.0%
	City of Tignall	$ 70,000	$ 186,707	$ 4,855	$ 191,562	273.7%
	City of Rayle	$ 15,000	$ 39,795	$ 1,034	$ 40,829	272.2%
	EMS Equipment	$ 200,000	$ 593,154	$ -	$ 593,154	296.6%
	Hospital	$ 800,000	$ 800,000	$ -	$ 800,000	100.0%
	Fire Equipment	$ 300,000	$ 289,812	$ -	$ 289,812	96.6%
	Subtotal	$ 3,645,000	$ 5,576,270	$ 281,886	$ 5,858,156	160.7%
	Roads & Bridges	$ 2,142,799	$ 1,061,998	$ 204,108	$ 1,266,106	59.1%
	Total Before Interest and bond Costs	$ 5,787,799	$ 6,638,268	$ 485,994	$ 7,124,262	123.1%
	Interest	$ 297,201	$ 304,939	$ -	$ 304,939	102.6%
	Bond cost Recovery	$ -		$ -	$ -	0.0%
	Subtotal	$ 297,201	$ 304,939	$ -	$ 304,939	102.6%
	Grand Total	$ 6,085,000	$ 6,943,207	$ 485,994	$ 7,429,201	122.1%
	Bond Payments	$ 2,500,000	$ 2,500,000	$ -	$ 2,500,000	100.0%

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

3 For Roads & Bridges, Courthouse, EMS Equipment, and Recreation (Effective (07/1/2011-06/30/2017)

Budgeted Breakout					
Courthouse	$ 1,409,100	$ 82,619	$ 1,287,386	$ 1,370,005	97.2%
Animal Shelter	$ 149,820	$ 69,698	$ 78,131	$ 147,829	98.7%
City of Washington	$ 2,025,960	$ -	$ -	$ -	0.0%
City of Tignall	$ 308,010	$ -	$ -	$ -	0.0%
City of Rayle	$ 65,584	$ -	$ -	$ -	0.0%
EMS Equipment	$ 352,750	$ 154,334	$ 130,454	$ 284,788	80.7%
Hospital	$ 500,000	$ 420,444	$ -	$ 420,444	84.1%
Fire Equipment	$ 500,000	$ -	$ -	$ -	0.0%
Solid Waste Equipment	$ 150,000	$ -	$ -	$ -	0.0%
Library Building	$ 20,000	$ 15,648	$ 1,125	$ 16,773	83.9%
Roads & Bridges	$ 1,118,776	$ -	$ -	$ -	0.0%
Subtotal	$ 6,600,000	$ 742,743	$ 1,497,095	$ 2,239,838	33.9%
Interest	$ 41,894	$ -	$ 41,916	$ 41,916	100.1%
Bond cost Recovery	$ -		$ -	$ -	0.0%
Subtotal	$ 41,894	$ -	$ 41,916	$ 41,916	100.1%
Grand Total	$ 6,641,894	$ 742,743	$ 1,539,011	$ 2,281,754	34.4%
Bond payments	$ 3,220,000	$ -	$ -	$ -	0.0%

COMBINING STATEMENTS
DISCRETELY PRESENTED COMPONENT UNITS

Wilkes County Georgia
Combining Statement of Activities - All Discretely Presented Component Units
For the year ended June 30, 2011

	Payroll Development Authority	Health Department	Parks & Recreation Commission	Totals
Revenues				
Intergovernmental Revenues	$ -	$ 215,082	$ 225,350	$ 440,432
Charges for Services	$ 665,896	$ 55,477	$ 16,815	$ 738,188
Miscellaneous	$ -	$ 4,370	$ 7,997	$ 12,367
Total Revenues	$ 665,896	$ 274,929	$ 250,162	$ 1,190,987
Expenses				
Culture and Recreation	$ -	$ -	$ 227,132	$ 227,132
Health and Welfare	$ -	$ 259,302	$ -	$ 259,302
Industrial Development	$ 737,435	$ -	$ -	$ 737,435
Total Expenses	$ 737,435	$ 259,302	$ 227,132	$ 1,223,869
Change in Net Assets	$ (71,539)	$ 15,627	$ 23,030	$ (32,882)
Net Assets beginning of the year	$ 1,391,734	$ 236,866	$ 150,897	$ 1,779,497
Net Assets end of the year	$ 1,320,195	$ 252,493	$ 173,927	$ 1,746,615

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

Wilkes County Georgia
Combining Statement of Net Assets - All Discretely Presented Component Units
June 30, 2012

	Payroll Development Authority	Health Department	Parks & Recreation Commission	Totals
Assets				
Current Assets				
Cash	$ 215,153	$ 261,556	$ 144,458	$ 621,167
Due From Other Funds	$ -	$ -	$ -	$ -
Due From State of Georgia	$ -	$ 11,901	$ -	$ 11,901
Due from Others	$ -	$ 868	$ -	$ 868
Total Current Assets	$ 215,153	$ 274,325	$ 144,458	$ 633,936
Capital Assets				
Nondepreciable capital assets	$ 511,435			$ 511,435
Depreiable capital assets, net	$ 2,980,029		$ 33,996	$ 3,014,025
Total	$ 3,706,617	$ 274,325	$ 178,454	$ 4,159,396
Liabilities				
Current Liabilities				
Accounts Payable	$ -	$ 10,256	$ 4,527	$ 14,783
Total Current Laiblities	$ -	$ 10,256	$ 4,527	$ 14,783
Noncurrent Liabilities				
Compensated Absences payable	$ -	$ 11,576	$ -	$ 11,576
Long Term Notes/Bonds payable	$ 2,386,422	$ -	$ -	$ 2,386,422
Total Noncurrent Liabilities	$ 2,386,422	$ 11,576	$ -	$ 2,397,998
Total Liabilities	$ 2,386,422	$ 21,832	$ 4,527	$ 2,412,781
Net Assets				
Net assets				
Designated for Statutory Purposes	$ -	$ 55,323	$ -	$ 55,323
Invested in capital assets, net of related debt	$ 1,105,042	$ -	$ 33,996	$ 1,139,038
Undesignated	$ 215,153	$ 197,170	$ 139,931	$ 552,254
Total Net Assets	$ 1,320,195	$ 252,493	$ 173,927	$ 1,746,615

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

Wilkes County, Georgia
Schedule of Federal and State Agency Financial Assistance
For the year ended June 30, 2012

Federal Grantor/Pass through Grantor/Program Title	Federal CDFA Number	Pass-Through Grantor Number	Program or Award Amount	Beginning Balance 7/1/2011	Revenues Recognized	Expenditures	Ending Balance 6/30/2012
U.S. Department of Transportation							
State of Georgia: Department of Transportation/Urban mass transportation, Section 5311 - Funding for non-urbanized areas	20.509		$ 78,533	$ -	$ 78,533	$ 78,533	$ -
Concil of Juvenile Court Judges of GA							
Juvenile offenders program	16.523	JB-09ST-0004	$ 2,250		$ 2,250	$ 2,250	
Local Housing Authority							
Payment in Lieu of Property Taxes		LHA	$ 39,075	$ -	$ 39,075	$ 39,075	$ -
TOTALS			$ 119,858	$ -	$ 119,858	$ 119,858	$ -

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

Steven G. Albertson, CPA, PC
Certified Public Accountant

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

To the Board
Wilkes County, Georgia

I have audited the financial statements of governmental activities, each major fund, the aggregate remaining fund information, and discretely presented component unit of Wilkes County, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents and have issued my report thereon dated December 28, 2012. These financial statements are the responsibility of Wilkes County, Georgia's, management. My report was modified to include a reference to other auditors. We did not audit the financial statements of the Wilkes County Health Department, Georgia, as described in our report of Wilkes County, Georgia's financial statements. This report does not include the result of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance

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

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

Steven G. Albertson, CPA
Washington, Georgia
December 28, 2012

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

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

Board of Commissioners
Wilkes County, Georgia

I have audited the accompanying Project Report - Special Purpose Local Option Sales Tax of the Wilkes County, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents and have issued my report thereon dated December 28, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion. In the conduct of my audit, I verified and tested expenditures for the uses of funds, as identified in the resolution or ordinance calling for the imposition of the special purpose sales and use tax authorized by Section 48-8-110 OCGA.

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

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

Steven G. Albertson, CPA
Washington, Georgia
December 28, 2012