WILKINSON COUNTY
GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2011

WILKINSON COUNTY, GEORGIA

AUDIT REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

WILKINSON COUNTY, GEORGIA

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WILKINSON COUNTY, GEORGIA

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CLHP

CLIFTON, LIPFORD, HARDISON & PARKER, LLC

J. Russell Lipford, Jr., CPA
Mark O. Hardison, CPA
Terry I. Parker, CPA
Christopher S. Edwards, CPA
Lynn S. Hudson, CPA
Kevin E. Lipford, CPA

Member of
American Institute of
Certified Public Accountants
Truman W. Clifton (1902-1989)

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Wilkinson County, Georgia

We were engaged to audit the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wilkinson County, Georgia, as of and for the fiscal year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wilkinson 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 Wilkinson County Board of Health and the Wilkinson County Development Authority, component units, which represent 100% of the assets and 100% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units is based on the report of the other auditors.

Except as described in the following paragraph, 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

Internal control breakdowns and fraud occurred in the Tax Commissioner Office during the year ended September 30, 2011. As a result of a law enforcement investigation and forensic examination, on July 31, 2012, the Tax Commissioner pled guilty to felony counts, a violation of oath by Public Officer and he resigned from elected office.

Because of the matters discussed in the third paragraph the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements of the aggregate remaining fund information as of and for the year ended September 30, 2011.

1503 Bass Road
P.O. Box 6315 Macon, Georgia 31208-6315
Phone 478-742-3313 ▪ Fax 478-742-0316

www.clhp.com

468 South Houston Lake Road
Warner Robins, Georgia 31088
Phone 478-953-0125 ▪ Fax 478-953-0983

In addition, 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 aggregate discretely presented component units, the General Fund and the Special Local Option Sales Tax Fund 2007 of Wilkinson County, Georgia, as of September 30, 2011, and the respective changes in financial position and the respective budgetary comparison for the General Fund, 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 September 17, 2012, on our consideration of Wilkinson 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The schedules of funding progress on pages 37 and 38 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. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement 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 the 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 Wilkinson County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. As discussed in the third paragraph above, the scope of our work was not sufficient to enable us to express and we do not express an opinion on the combining and individual nonmajor fund financial statements and the schedule of projects constructed with special sales tax proceeds.

Macon, Georgia
September 17, 2012

FINANCIAL STATEMENTS

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WILKINSON COUNTY, GEORGIA

STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

	Primary Government	Component Units	
	Governmental Activities	Board of Health	Development Authority
ASSETS			
Cash and cash equivalents	$ 2,068,589	$ 460,187	$ 204,749
Certificate of deposit	5,600,000	-	-
Investments	878,270	-	-
Receivables, net of allowance			
Taxes	291,283	-	-
Accounts	252,639	1,290	-
Accrued interest	2,502	-	-
Due from other governments	288,264	16,072	2,000
Prepaid items	94,031	-	-
Inventories	30,308	-	-
Bond issuance costs	31,407	-	-
Capital assets			
Nondepreciable	328,857	-	1,803,676
Depreciable, net	10,890,790	-	9,969
Total Assets	20,756,940	477,549	2,020,394
LIABILITIES			
Accounts payable	29,333	-	998
Accrued salaries and benefits	69,106	-	1,249
Accrued interest	13,776	-	-
Due to other governments	-	5,005	-
Unearned revenue	2,800	-	-
Noncurrent liabilities			
Due within one year	1,003,495	2,334	142,500
Due in more than one year	1,552,337	21,020	-
Total Liabilities	2,670,847	28,359	144,747
NET ASSETS			
Invested in capital assets, net of related debt	9,099,647	-	1,671,145
Restricted for:			
Program purposes	367,244	361,670	-
Capital outlay	3,327,830	-	-
Unrestricted	5,291,372	87,520	204,502
Total Net Assets	$ 18,086,093	$ 449,190	$ 1,875,647

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

WILKINSON COUNTY, GEORGIA

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities				
General government	$ 2,648,020	$ 603,844	$ 61,477	$ -
Public safety	1,950,455	146,358	26,079	-
Public works	3,605,698	22,905	-	42,666
Judicial	587,226	-	-	-
Health and welfare	887,194	5,602	134,738	-
Culture and recreation	201,302	37,694	17,265	33,431
Economic development	85,468	-	-	-
Interest on long-term debt	114,159	-	-	-
Total governmental activities	10,079,522	816,403	239,559	76,097
Total Primary Government	$ 10,079,522	$ 816,403	$ 239,559	$ 76,097
Component Units:				
Board of Health	$ 378,620	$ 84,102	$ 293,136	$ -
Development Authority	91,183	7,500	199,435	-
Total Component Units	$ 469,803	$ 91,602	$ 492,571	$ -
General Revenues				
Property tax				
Sales tax				
Insurance premium tax				
Other taxes				
Investment earnings				
Miscellaneous				
Gain on sale of capital assets				
Total General Revenues				
Change in Net Assets				
Net Assets - Beginning of year				
Net Assets - End of year				

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

WILKINSON COUNTY, GEORGIA

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

Net (Expense) Revenue and Changes in Net Assets		
Primary Government	Component Units	
Governmental Activities	Board of Health	Development Authority
$ (1,982,699)		
(1,778,018)		
(3,540,127)		
(587,226)		
(746,854)		
(112,912)		
(85,468)		
(114,159)		
(8,947,463)		
(8,947,463)		
	$ (1,382)	$ -
	-	115,752
	(1,382)	115,752
4,492,122	-	-
2,836,734	-	-
229,365	-	-
47,616	-	-
37,804	-	534
257,858	-	43,618
25,329	-	-
7,926,828	-	44,152
(1,020,635)	(1,382)	159,904
19,106,728	450,572	1,715,743
$ 18,086,093	$ 449,190	$ 1,875,647

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

WILKINSON COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	General Fund	Special Purpose Local Option Sales Tax Fund 2007	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 829,950	$ 1,039,285	$ 199,354	$ 2,068,589
Certificate of deposit	3,500,000	2,100,000	-	5,600,000
Investments	878,270	-	-	878,270
Receivables, net of allowance				
Taxes	291,283	-	-	291,283
Accounts	12,802	-	239,837	252,639
Accrued interest	2,433	69	-	2,502
Due from other governments	113,738	160,537	13,989	288,264
Due from other funds	33,143	-	53	33,196
Prepaid items	94,031	-	-	94,031
Inventory	30,308	-	-	30,308
Total Assets	$ 5,785,958	$ 3,299,891	$ 453,233	$ 9,539,082
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 10,028	$ 15,442	$ 3,863	$ 29,333
Accrued payroll	63,557	-	5,549	69,106
Due to other funds	-	-	33,196	33,196
Deferred revenues				
Taxes	291,283	-	-	291,283
Grants	2,800	-	-	2,800
Total Liabilities	367,668	15,442	42,608	425,718
Fund Balances:				
Nonspendable	124,339	-	-	124,339
Restricted	-	3,284,449	410,625	3,695,074
Assigned	300,633	-	-	300,633
Unassigned	4,993,318	-	-	4,993,318
Total Fund Balances	5,418,290	3,284,449	410,625	9,113,364
Total Liabilities and Fund Balances	$ 5,785,958	$ 3,299,891	$ 453,233	$ 9,539,082

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

WILKINSON COUNTY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

Total Fund Equity per Balance Sheet of Governmental Funds	$	9,113,364
Amounts reported for governmental activities in the Statement of Net Assets differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:		
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets		17,892,445
Accumulated depreciation		(6,672,798)
Revenues		
Some of the government's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		291,283
Long-term Liabilities		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Assets. Long-term liabilities at year-end consist of the following:		
Bonds payable		(2,120,000)
Bond issuance costs		31,407
Other postemployment benefits liability		(85,764)
Pension liability		(300,510)
Compensated absences		(49,558)
Accrued interest payable		(13,776)
Total Net Assets of Governmental Activities	$	18,086,093

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

WILKINSON COUNTY, GEORGIA

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

	General Fund	Special Purpose Local Option Sales Tax Fund 2007	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes				
Property tax	$ 4,651,290	$ -	$ -	$ 4,651,290
Sales tax	958,098	1,878,636	-	2,836,734
Insurance premium tax	229,365	-	-	229,365
Other taxes	47,616	-	-	47,616
License and permits	7,005	-	-	7,005
Intergovernmental	197,550	-	86,500	284,050
Charges for services	465,455	-	52,803	518,258
Fines and forfeitures	255,593	-	35,546	291,139
Investment earnings	37,149	30,953	1,308	69,410
Other revenues	226,169	-	31,689	257,858
Total Revenues	7,075,290	1,909,589	207,846	9,192,725
Expenditures:				
Current:				
General government	2,414,966	9,818	5,851	2,430,635
Public safety	1,441,900	23,297	249,558	1,714,755
Public works	1,283,743	-	-	1,283,743
Judicial	583,398	-	6,897	590,295
Health and welfare	738,817	-	42,069	780,886
Culture and recreation	108,664	-	52,120	160,784
Economic development	85,468	-	-	85,468
Intergovernmental	-	1,889,142	161,006	2,050,148
Debt Service				
Principal	-	650,000	-	650,000
Interest	-	107,682	-	107,682
Capital Outlay	-	365,905	149,614	515,519
Total Expenditures	6,656,956	3,045,844	667,115	10,369,915
Excess (Deficiency) of Revenues Over (Under) Expenditures	418,334	(1,136,255)	(459,269)	(1,177,190)
Other Financing Sources (Uses):				
Transfers from other funds	-	-	178,990	178,990
Transfers to other funds	(178,990)	-	-	(178,990)
Sale of capital assets	25,329	-	-	25,329
Total other financing sources (uses)	(153,661)	-	178,990	25,329
Net change in fund balances	264,673	(1,136,255)	(280,279)	(1,151,861)
Fund Balance - Beginning of Year, restated	5,153,617	4,420,704	690,904	10,265,225
Fund Balance - End of Year	$ 5,418,290	$ 3,284,449	$ 410,625	$ 9,113,364

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

WILKINSON COUNTY, GEORGIA

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

Net Changes in Fund Balances - Total Governmental Funds	$ (1,151,861)
Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:	
Capital Assets	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense:	
Total capital outlays	434,333
Total depreciation	(699,922)
Long-term Debt	
Repayment of general obligation, debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	650,000
Amortization of bond issuance costs	(10,468)
Other postemployment benefits liability	(29,845)
Pension liability	(49,989)
Compensated absences payable	(7,707)
Accrued interest on debt	3,992
Revenues	
Because some revenues will not be collected for several months after the government's fiscal year end, they are not considered available revenues and are deferred in the governmental funds.	
Deferred revenues increased by this amount during the fiscal year.	(159,168)
Change in Net Assets of Governmental Activities	$ (1,020,635)

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

WILKINSON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Budget Amounts		Actual Amounts	Variance Positive/ (Negative)
	Original	Final		
Taxes:				
General property	$ 4,040,000	$ 4,201,000	$ 4,181,810	$ (19,190)
Local option sales	650,000	798,338	958,098	159,760
Other taxes:				
Beer and wine	9,000	9,000	9,925	925
Insurance premium	222,222	222,222	229,365	7,143
Real estate transfer	2,400	2,400	4,983	2,583
Timber	55,000	55,000	53,692	(1,308)
Recording intangibles	13,000	13,000	14,805	1,805
Vehicles and mobile home	390,000	390,000	387,763	(2,237)
Banks	10,000	10,000	20,060	10,060
Railroad equipment	25,000	25,000	23,041	(1,959)
Other	3,500	3,500	2,826	(674)
Total Taxes	5,420,122	5,729,460	5,886,368	156,908
Licenses and Permits:				
Beer and wine	2,040	2,040	1,530	(510)
Occupation tax	6,000	6,000	4,950	(1,050)
Other	-	-	525	525
Total Licenses and Permits	8,040	8,040	7,005	(1,035)
Intergovernmental Revenues:				
Federal grants:				
Rural Transit fee reimbursement	45,000	45,000	58,817	13,817
Senior Citizens	85,000	85,000	92,729	7,729
State grants:				
DCA Local Assistance Grant	-	-	200	200
Forest Land Protection Act	-	-	17,265	17,265
EMA Grant	-	-	5,000	5,000
Juvenile Court Grant	-	-	1,824	1,824
Georgia Inmate Board	15,000	15,000	18,379	3,379
Other grants	3,000	3,000	3,336	336
Total Intergovernmental Revenue	$ 148,000	$ 148,000	$ 197,550	$ 49,550

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

WILKINSON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
(CONTINUED)

	Budget Amounts		Actual Amounts	Variance Positive/ (Negative)
	Original	Final		
Charges for Services:				
Tax Commissioner's - costs, fees and commissions	$ 228,000	$ 228,000	$ 307,350	$ 79,350
Public transit fees	7,500	7,500	8,647	1,147
Jail fees	14,000	14,000	-	(14,000)
Streets and sanitation	10,250	10,250	10,711	461
Pipe installations	5,000	5,000	3,547	(1,453)
Recreation	-	-	37,694	37,694
Resource officer	-	-	49,383	49,383
Phone commissions	-	-	8,449	8,449
Commissary	-	40,000	31,449	(8,551)
Other	-	-	8,225	8,225
Total Charges for Services	264,750	304,750	465,455	160,705
Fines and Forfeitures:				
Sheriff's cost and fees	6,900	6,900	18,112	11,212
Superior Court	108,900	108,900	95,374	(13,526)
Probate Court	88,500	91,200	109,556	18,356
Magistrate Court	26,000	26,000	32,025	6,025
Juvenile Court	150	150	526	376
Total Fines and Forfeitures	230,450	233,150	255,593	22,443
Miscellaneous:				
Investment earnings	36,849	36,849	37,149	300
Rents	250	250	2,350	2,100
Highway 57 landfill site	-	-	158,660	158,660
Annual landfill payment	50,000	50,000	50,000	-
Miscellaneous	2,235	2,235	15,160	12,925
Total Miscellaneous	89,334	89,334	263,319	173,985
Total Revenues	$ 6,160,696	$ 6,512,734	$ 7,075,290	$ 562,556

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

WILKINSON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
(CONTINUED)

	Budget Amounts		Actual Amounts	Variance Positive/ (Negative)
	Original	Final		
General Government:				
Board of commissioners	$ 1,673,134	$ 1,597,730	$ 1,592,498	$ 5,232
Tax commissioner's office	194,401	194,401	194,435	(34)
Tax assessor's office	200,601	197,911	192,250	5,661
Tax equalization office	6,435	6,435	4,095	2,340
Registrars	74,810	77,310	75,694	1,616
Public buildings	266,854	264,854	263,779	1,075
County extension service	52,408	48,408	38,985	9,423
Coroner's office	31,527	27,458	26,039	1,419
Forestry department	27,191	27,191	27,191	-
Total General Government	2,527,361	2,441,698	2,414,966	26,732
Public Safety:				
Sheriff's office	1,066,081	920,869	918,060	2,809
Commissary	-	40,000	39,991	9
Jail operations	579,950	484,147	483,849	298
Total Public Safety	1,646,031	1,445,016	1,441,900	3,116
Public Works:				
Roads and bridges	1,106,575	863,208	846,975	16,233
Public transit	113,745	124,745	124,138	607
Streets and sanitation	253,045	331,795	312,630	19,165
Total Public Works	1,473,365	1,319,748	1,283,743	36,005
Judicial:				
Superior Court	336,736	336,676	330,315	6,361
Probate Court	135,439	147,791	140,129	7,662
Magistrate Court	116,276	117,626	112,954	4,672
Total Judicial	588,451	602,093	583,398	18,695

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

WILKINSON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
(CONTINUED)

	Budget Amounts		Actual Amounts	Variance Positive/ (Negative)
	Original	Final		
Health and Welfare:				
Emergency management	$ 52,477	$ 82,857	$ 76,775	$ 6,082
Ambulance - service contract	360,000	360,000	360,000	-
Ambulance - other operating	28,800	28,800	18,718	10,082
Paw and Claws	6,000	6,000	6,000	-
Senior Citizens Center	119,684	105,561	104,474	1,087
Wilkinson County Board of Health	151,250	151,250	151,250	-
Department of Family and Children Services	21,600	21,600	21,600	-
Total Health and Welfare	739,811	756,068	738,817	17,251
Culture and Recreation:				
Library	25,000	25,000	25,000	-
Recreation department	43,787	83,000	83,664	(664)
Fall Line Regional Development	153,000	-	-	-
Total Culture and Recreation	221,787	108,000	108,664	(664)
Economic Development:				
Wilkinson County Development Authority	179,000	84,952	85,468	(516)
Total Expenditures	7,375,806	6,757,575	6,656,956	100,619
Excess of revenues over expenditures	(1,215,110)	(244,841)	418,334	663,175
Other Financing Sources (Uses):				
Transfers To:				
E911 Fund	(193,832)	(180,000)	(178,990)	1,010
Sale of capital assets	20,000	20,000	25,329	5,329
Total Other Financing Sources (Uses)	(173,832)	(160,000)	(153,661)	6,339
Net Change in Fund Balance	(1,388,942)	(404,841)	264,673	669,514
Fund Balance - Beginning of Year, restated	1,388,942	404,841	5,153,617	4,748,776
Fund Balance - End of Year	$ -	$ -	$ 5,418,290	$ 5,418,290

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

WILKINSON COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
SEPTEMBER 30, 2011

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 1,027,410
Total Assets	$ 1,027,410
LIABILITIES	
Funds held in escrow	$ 912,034
Due to other governments	83,811
Due to others	31,295
Total Liabilities	$ 1,027,140

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

Wilkinson County was established under the provisions of an Act of the General Assembly of Georgia. The County operates under a county commissioner form of government, and provides the following services as authorized by state law, general administrative services, public safety, roads and bridges, courts and health and welfare.

The accounting policies of Wilkinson County, Georgia conform to generally accepted accounting principles as applicable to governments. The following is a summary of the County's more significant policies applied in the preparation of the accompanying financial statements.

A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Wilkinson County (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14 "The Financial Reporting Entity," which was adopted by the County as of October 1, 1995, the financial statements of the component units have been included as discretely presented component units. The component units column in the combined financial statements includes the financial data for the County's component unit, as reflected in their most recent audited financial statements. This audit is reported in a column separate from the County's financial information to emphasize that it is legally separate from the County.

Wilkinson County Board of Health

The governing board of the Board of Health consists of five members appointed by the County Commissioners. The County, by virtue of its appointments, controls a majority of the governing body positions. The Board submits all operating budgets to the County each year. The County provides significant funding to the Board, based upon the approved budgets. The Board of Health has a fiscal year ended June 30, 2011.

Wilkinson County Development Authority

The governing body of the Authority consists of nine members appointed by the County Commissioners. The County, by virtue of its appointments, controls a majority of the governing body positions. The County provides significant funding to the Authority, based upon budget requests. The Development Authority has a fiscal year ended December 31, 2010.

Complete financial statements of the individual component units can be obtained from the Wilkinson County clerk:

Wilkinson County, Georgia
P.O. Box 161
Irwinton, Georgia 31042

Wilkinson County Law Library (Blended Component Unit)

The Wilkinson County Law Library, an entity separate from the County, is governed by a Board of Trustees. For financial reporting purposes, the Law Library is reported as if were part of the County's operations because it functions primarily for the courts of the County. The Law Library does not issue separate financial statements. All property purchased with funds expended by the Law Library becomes the property of Wilkinson County.

Joint ventures

Under Georgia law, the County, in conjunction with other cities and counties in the middle Georgia area, is a member of the Middle Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended September 30, 2011, the county paid $8,701 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Middle Georgia Regional Commission
175-C Emery Highway
Macon, Georgia 31201

Certain County officials collect and disburse taxes, fees, fines, etc. Separate records of accountability are maintained for such receipts. For purposes of this report, these records are reported as agency funds with remittances to the General Fund from these officials recorded as revenues. Operating costs for these officials are included as a part of the County's General Fund. These units include: Probate Court, Superior Court, Sheriff's Office, Tax Commissioner's Office, Magistrate Court, and Juvenile Court.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed form 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to 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 instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Government-Wide Financial Statements

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, as well as expenditures

related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government'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 Special Purpose Local Option Sales Tax 2007 fund is used to account for special purpose local option sales tax (SPLOST) revenues as well as the specifically identified projects for which the SPLOST tax was established.

The government reports the following fund type:

Agency funds – These funds account for monies held by the County in a trustee capacity as an agent on behalf of individuals, other governmental units, and/or other funds. Following are the agency funds of the County at September 30, 2011: Tax Commissioner, Sheriff, Superior Court, Probate Court, Magistrate Court and Juvenile Court.

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

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. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

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

The County applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in accounting and reporting for its proprietary operations as well as following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, APB opinions, and ARBS.

D. Cash, Cash Equivalents and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

E. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans or "advances to/from other funds" (i.e., the noncurrent portion of the interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

F. Other Receivables

All trade and property tax receivables are shown net of an allowance for doubtful accounts. The applicable allowance is determined based upon prior experience.

G. Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased. Inventory in the General Fund consists of fuel, which is priced at cost using the First-In-First-Out method.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items in both government-wide and fund financial statements.

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) acquired subsequent to October 1, 2003 are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and 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.

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

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

Property, plant and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Building and improvements	20 – 40 years
Vehicles	5 years
Equipment	3 – 10 years
Roads	30 years
Infrastructure	30 years

J. Accumulated Unpaid Vacation and Sick Leave Costs

Accumulated unpaid sick leave costs are not vested and are not accrued in any fund, but are recognized as expenditures or expenses, when paid. Accumulated unpaid vacation costs are accrued when incurred in the proprietary funds. The County does not budget for compensated absences in the governmental funds and has been unable to determine the amount to be liquidated with available financial resources as of September 30, 2011. All

accumulated unpaid vacation costs are reflected in the government-wide financial statements at September 30, 2011 and amount to $49,558.

K. Long-Term Obligations

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

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

L. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners. The Board approves committed resources through a motion and vote during the voting session of Board meetings.
- Assigned – amounts that are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. The intent is expressed by the Board.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

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

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

- Committed
- Assigned
- Unassigned

The Board does not have a formal minimum fund balance policy.

The following is a summary of the fund balance classifications as of September 30, 2011:

	General Fund	SPLOST 2007	Nonmajor Governmental	Total
Fund Balances:				
Nonspendable:				
Prepaids and inventories	$ 124,339	$ -	$ -	$ 124,339
Restricted for:				
Public safety	-	-	52,820	52,820
Law library	-	-	16,847	16,847
Drug awareness	-	-	66,672	66,672
Balls Ferry	-	-	229,976	229,976
Other purposes	-	-	929	929
Capital projects	-	3,284,449	43,381	3,327,830
Assigned:				
Recreation	20,310	-	-	20,310
Fall Line Development	187,266	-	-	187,266
Fund balance appropriation	93,057	-	-	93,057
Unassigned	4,993,318	-	-	4,993,318
Total fund balances	$ 5,418,290	$ 3,284,449	$ 410,625	$ 9,113,364

M. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The County purchases commercial insurance for most types of risk. The County had no significant reduction in insurance coverage from coverage in the prior year.

The County has joined together with other municipalities in the state as part of the ACCG Group Self Insurance Workers' Compensation Self Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Fund is to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost 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. For the year ending September 30, 2011, the County's total contribution was $110,170 for the Workers Compensation Fund.

The County is a member of the ACCG Interlocal Risk Management Agency (ACCG-IRMA). This agency functions as an unincorporated nonprofit instrumentality of its members and is administered by the Association of County Commissioners of Georgia (ACCG). The purpose of ACCG-IRMA is to establish and administer one or more group self-insurance funds; to establish and administer a risk management service; and to prevent or lessen the incidence or severity of casualty and property losses. ACCG-IRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of ACCG-IRMA against liability or loss.

Each member pays an annual contribution established by the Board of GIRMA. For the period October 1, 2010 – October 1, 2011, the County's total contribution was $81,554. GIRMA may develop and issue such self-insurance coverage descriptions, as it deems necessary. The current coverage provides a $3,000,000 general liability limit with a $5,000 per occurrence deductible.

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

N. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budget Process

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

1. Prior to year end the Clerk of the County Commissioners submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the

following October 1. The operating budget includes proposed expenditures and the means of financing them.

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 Wilkinson 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 for the General Fund and Special Revenue Funds. Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund and Special Revenue Funds are subject to budgetary control on a departmental basis. Budgets are prepared for the Capital Projects Fund on a project basis, which usually covers two or more fiscal years.

6. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. Individual amendments are not material in relation to the original appropriations, which were amended.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to serve that portion of the applicable appropriation, is not employed by the County. Budget to Generally Accepted Accounting Principal Basis reconciliations are not required.

C. Excess of Expenditures over Appropriations

The following departments had expenditures in excess of departmental appropriations:

General Fund:	
Tax commissioner's office	$ 34
Recreation department	664
Wilkinson County Development Authority	516

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Deposits

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be recovered.

The County's bank balances of deposits as of September 30, 2011 are entirely insured or collateralized with securities held by the County's agent in the County's name.

State statues require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

At June 30, 2011, the carrying amount of deposits for the Wilkinson County Board of Health, a discretely presented component unit, was $460,187. All of the bank balance was covered by federal depository insurance or by collateral held.

At December 31, 2010, the carrying amount of deposits for the Wilkinson County Development Authority, a discretely presented component unit, was $204,749. All of the bank balance was covered by federal depository insurance or by collateral held.

B. Investments

	Credit Rating	Investment Value	Weighted Average Maturity
Georgia Fund 1	AAAm rated	$ 878,270	24 day

Custodial credit risk. For an investment, the custodial risk is the risk that in the event of the failure of the counter-party to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. Georgia Fund 1 is not required to disclose custodial credit risk. The County had no such investments with such risk as of September 30, 2011.

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. Georgia law allows investments in obligations of the U.S. Treasury, other U.S. Governmental Agencies, State of Georgia, other states, prime banker's acceptance, repurchase agreements, other political subdivisions of Georgia and the State of Georgia Fund 1 investment pool. The Georgia Fund 1 is not registered with the SEC. The State of Georgia Office of Treasury operates Georgia Fund 1 in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Georgia Fund 1 is a stable net asset value investment pool that follows Standard & Poor's criteria for AAAm rated money market funds.

NOTE 4 – PROPERTY TAXES

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by a joint Board of Tax Assessors of County.

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is turned over to the County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The Wilkinson County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes must be paid by May 1. The 2010 property taxes were mailed (levied) as of October 21, 2010, with a due date of December 20, 2010.

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period. The allowance for uncollectible taxes as of September 30, 2011, was $99,068.

NOTE 5 – OTHER RECEIVABLES

Receivables at September 30, 2011, consist of the following:

	General Fund	SPLOST 2007	Nonmajor Funds	Total
Receivables:				
Taxes	$ 390,351	$ -	$ -	$ 390,351
Accounts	12,802	-	239,837	252,639
Accrued interest	2,433	69	-	2,502
Gross receivables	405,586	69	239,837	645,492
Less:				
Allowance for uncollectible	(99,068)	-	-	(99,068)
Net total receivables	$ 306,518	$ 69	$ 239,837	$ 546,424

NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at September 30, 2011, are as follows:

	State	Local	Total
Fund:			
General	$ 97,974	$ 15,764	$ 113,738
Special Revenue	10,854	-	10,854
Capital Projects	163,672	-	163,672
Total	$ 272,500	$ 15,764	$ 288,264

The amounts due from state government are primarily for sales tax.

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	$ 33,143
Nonmajor Governmental	Nonmajor Governmental	53
		$ 33,196

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

	Transfers In:
	Nonmajor Governmental Fund
Transfer out:	
General Fund	$ 178,990
Total	$ 178,990

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital Assets, not being depreciated:				
Land	$ 316,831	$ 12,026	$ -	$ 328,857
Capital Assets, being depreciated:				
Building	9,066,113	-	-	9,066,113
Vehicles	2,022,238	165,516	(114,609)	2,073,145
Machinery and equipment	2,574,330	241,349	(316,336)	2,499,343
Infrastructure	3,909,545	15,442	-	3,924,987
Total capital assets	17,889,057	434,333	(430,945)	17,892,445
Less: accumulated depreciation				
Building	(2,270,136)	(213,062)		(2,483,198)
Vehicles	(1,619,267)	(167,299)	114,609	(1,671,957)
Machinery and equipment	(1,975,403)	(185,534)	316,336	(1,844,601)
Infrastructure	(539,015)	(134,027)	-	(673,042)
Total accumulated depreciation	(6,403,821)	(699,922)	430,945	(6,672,798)
Governmental activities capital assets, net	$ 11,485,236	$ (265,589)	$ -	$ 11,219,647

Depreciation expense was charged to governmental functions as follows:

General Government	$ 130,089
Court System	7,933
Health & Welfare	29,593
Public Safety	231,765
Public Works	260,269
Recreation	40,273
Total	$ 699,922

Activity for the Board of Health for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated:				
Equipment	$ 38,076	$ -	$ -	$ 38,076
Less: accumulated depreciation for:				
Equipment	(38,076)	-	-	(38,076)
Board of Health capital assets, net	$ -	$ -	$ -	$ -

Activity for the Development Authority for the year ended December 31, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,517,286	$ 286,390	$ -	$ 1,803,676
Capital assets, being depreciated:				
Equipment	17,290	-	-	17,290
Less: accumulated depreciation for:				
Equipment	(5,079)	(2,242)	-	(7,321)
Total capital assets, being depreciated, net	12,211	(2,242)	-	9,969
Development Authority capital assets, net	$ 1,529,497	$ 284,148	$ -	$ 1,813,645

NOTE 9 – LONG-TERM DEBT

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

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Long-term debt					
General obligation bonds 2007	$ 2,770,000	$ -	$ (650,000)	$ 2,120,000	$ 680,000
OPEB obligation	55,919	36,293	(6,448)	85,764	6,000
Pension obligation	250,521	279,128	(229,139)	300,510	275,371
Compensated absences	41,851	107,286	(99,579)	49,558	42,124
Total long-term debt	$ 3,118,291	$ 422,707	$ (985,166)	$ 2,555,832	$1,003,495

Compensated absences are usually liquidated by the general fund.

General Obligation Bonds

$4,000,000 Wilkinson County General Obligation Sales Tax Bond, Series 2007 due in annual installments of $605,000 to $735,000 through August 1, 2014, interest from 3.80% to 3.92%. Interest is payable on February 1 and August 1 of each year. The Wilkinson County General Obligation Sales Tax Bond, Series 2007 are secured by the special county one percent sales and use tax. The bonds are to be used for various capital outlay projects of governmental activities.	$ 2,120,000

General obligation bond debt service requirements to maturity are as follows:

	2007 Series	
Fiscal Year	Principal	Interest
2012	$ 680,000	$ 82,657
2013	705,000	56,307
2014	735,000	28,812
	$ 2,120,000	$ 167,776

NOTE 10 – EMPLOYEE RETIREMENT PLANS

A. ACCG Defined Benefit Plan

Plan Description

The County's defined benefit pension plan, Wilkinson County Defined Benefit Plan, (the Plan) provides retirement and disability benefits, annual cost-of-living adjustments (COLAs), and death benefits to plan members and beneficiaries. Wilkinson County Defined Benefit Plan is affiliated with the Association 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 Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time to time, the contribution rates for the County and its plan participants. ACCG issues a publicly available financial report that includes financial statements and required supplementary information (RSI) for the Plan. That report may be obtained by writing to GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339 or by calling (800) 736-7166.

Significant Accounting Policies

Basis of Accounting. The Wilkinson County financial statements are prepared using the modified accrual basis. Employer contributions are recognized in the period that the contributions are due.

Funding Policy

The plan members are not required to contribute to the plan. The County is required to contribute at an actuarially determined rate; the current rate is 16.0%. The contribution requirements of the County are established and may be amended by the ACCG Board of Trustees.

Annual Pension Cost

For the plan year, the County's annual pension cost of $279,128 for ACCG was determined as follows:

Derivation of Annual Pension Cost:

Annual Required Contribution	$ 279,244
Interest on Net Pension Obligation	1,657
Amortization of Net Pension Obligation	(1,773)
Annual Pension Cost	$ 279,128

Derivation of Net Pension Obligation:

Annual Pension Cost for Current Year	$ 279,128
Actual Contributions to Plan for Current Year	229,139
Increase in Net Pension Obligation (Asset)	49,989
Net Pension Obligation (Asset) as of September 30, 2010	250,521
Net Pension Obligation (Asset) as of September 30, 2011	$ 300,510

Three-Year Trend Information for the Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
09/30/09	$ 219,312	63.0%	$ 19,653
09/30/10	230,868	99.0%	250,521
09/30/11	279,128	N/A	300,510

The required contribution was determined as part of the January 1, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return (net of administrative expenses), and (b) projected salary increases of 6.0% per year. The Plan's unfunded actuarial accrued liability is being amortized (level percent of pay – closed method) over 10 years.

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2011, the most recent actuarial valuation date, is as follows:

Fiscal Year Ending	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2010	$ 2,906,482	$ 3,663,460	$ 756,978	79.3%	$ 1,433,342	52.8%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2009.

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/11
Actuarial cost method	projected unit
Amortization method	level percent of pay (closed)
Remaining amortization period	10
Asset valuation method	market value
Actuarial Assumptions:	
Investment rate of return	7.75%
Projected salaries increases	5.0% – 7.5% based on age
Expected annual inflation	5.5%
COLAs	N/A
Membership of the plan:	
Retirees and beneficiaries receiving benefits	21
Terminated plan members entitled to but not yet receiving benefits	29
Active plan members	54
Total	104

B. Other Retirement Plans

Other employees are covered under the following retirement plans that are not under the direct control of the County.

(A) 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 of other claims.

(B) Clerk of Superior Court Retirement Fund

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

(C) Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and his 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 of other claims.

NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

In addition to the pension benefits described in Note 10 to the financial statements, Wilkinson County provides postemployment health care insurance benefits to retired employees through the Health Care Plan of Wilkinson County. Employees who retire from the County at age 62 or older with 15 years of continuous service are eligible for continued health insurance coverage until the employees' 65th birthday. The County will pay the cost of individual coverage, however, if the employee elects family coverage, the employee is responsible for payment of the difference between the cost of individual and family coverage. The accounting and funding policies followed by the County are on a pay-as-you-go basis.

The authority to establish and amend the benefit provisions of the OPEB plan rests with the County. The plan does not issue separate financial statements.

As of January 1, 2009, employee membership data relative to the OPEB plan consist of the following:

Current retirees, beneficiaries, and dependents	1
Current active participants	65
Total	66

Summary of Significant Accounting Policies

The accrual basis of accounting is used with respect to the recognition in the financial statements of contributions in the form of insurance premiums made to the Plan. Plan investments, if any, are reported as their fair value at the reporting date. As of September 30, 2011 the Plan reported no assets.

Funding Policy

The contribution requirements are established and may be amended by the County. The required contribution was determined by an actuarial valuation. During the fiscal year ended September 30, 2011, the County paid premiums (net of retiree contributions) on behalf of current retired employees in the amount of $6,448

Annual OPEB Cost and Net OPEB Obligation

The County's first actuarial valuation was performed on the plan as of January 1, 2009 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the period according to the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County's annual OPEB cost of $36,293 is reduced by the current year contributions in the amount of $6,448.

The following table reflects the components of the County's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	$ 36,293
Interest on existing (NOO)	-
ARC adjustment	-
Annual OPEB cost	36,293
Actual contribution amount	(6,448)
Net increase in NOO	29,845
NOO as of valuation date	29,845
Net OPEB obligation - beginning of year	55,919
Net OPEB obligation - end of year	$ 85,764

The County's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for 2011 is as follows:

Year Ended	OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
01/01/09	$ 36,293	32%	$ 24,561
01/01/10	36,293	14%	55,919
01/01/11	36,293	18%	85,764

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/09	$ -	$ 302,055	$ 302,055	0.00%	$ 1,879,705	16.07%

AAL based on a pay-as-you-go plan

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the substantive plan in effect as of September 30, 2011.

Actuarial calculations reflect a long-term perspective.

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Assets valuation method	market value of assets
Actuarial assumptions:	
Investment rate of return	4.0%
Inflation rate	3.0%
Medical cost trend rate	10.5% – 5.0%

Year of ultimate trend rate	2016
Plan membership:	
Current retirees, beneficiaries, and dependents	1
Current active participants	65
Terminated participants entitled but not yet eligible	0
Total	66

NOTE 12 – CONTINGENT LIABILITIES AND SUBSEQUENT EVENTS

A. Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County attorney has advised that there are no potential liabilities of which he is aware that will significantly impair the County's position as of the date of this report.

B. Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for or including the year ended September 30, 2011, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

C. Bond Claim

On September 6, 2012, the County filed a bond claim with ACCG in regards to the Tax Commissioner Office investigation and forensic examination. At this time, the ultimate resolution of this matter is unknown.

NOTE 13 – RESTATEMENT OF FUND BALANCE

Management has restated the General Fund fund balance to account for the reclassification of the Commissary Fund, which was previously reported as a Nonmajor Special Revenue Fund. The effect of the restatement on the fund level statements is as follows:

	General Fund	Commissary Fund
Fund balance, September 30, 2010 - as previously reported	$ 5,150,747	$ 2,870
Reclassification of Commissary Fund	2,870	(2,870)
Fund balance, September 30, 2010 - restated	$ 5,153,617	$ -

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REQUIRED SUPPLEMENTARY INFORMATION

WILKINSON COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2011

Schedule of Funding Progress – Pension

Fiscal Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
2005	$ 1,892,082	$ 2,506,118	$ 614,036	75.50%	$ 1,165,088	52.70%
2006	2,175,760	2,768,743	592,983	78.60%	1,223,653	48.50%
2007	2,450,368	3,084,762	634,394	79.40%	1,118,484	56.70%
2008	2,478,741	3,123,891	645,150	79.30%	1,219,465	52.90%
2009	2,683,320	3,403,613	720,293	78.80%	1,315,201	54.80%
2010	2,906,482	3,663,460	756,978	79.34%	1,433,342	52.81%

Schedule of Funding Progress – OPEB

Actuarial Valuation Date January 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c
2009	$ -	$ 302,055	$ 302,055	0.00%	$ 1,879,705	16.07%

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Emergency 911 Fund – This fund accounts for the E-911 fees collected and disbursements for the operation of the E-911 call center.

Law Library Fund – This fund accounts for the resources received from the various courts of Wilkinson County and disbursements for the support of a centralized law library.

Family Connections Fund – This fund accounts for grant funds and related expenditures for children and their families to improve school performance.

Law Enforcement Confiscation Fund – This fund is used to account for funds confiscated from criminal activity and their expenditures in compliance with State and Federal laws.

Drug Abuse Education Fund – This fund accounts for resources received from the various courts of Wilkinson County for drug abuse education.

Jail Fund – This fund accounts for fines collected as required by State law for jail operations and construction.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Special Purpose Local Option Sales Tax (SPLOST) 2003 Fund – This fund is used to account for capital expenditures paid with the special purpose local option sales tax.

Special Purpose Local Option Sales Tax (SPLOST) 1998 Fund – This fund is used to account for capital expenditures paid with the special purpose local option sales tax.

Special Purpose Local Option Sales Tax (SPLOST) Cities and Counties Fund – This fund is used to account for capital expenditures paid with the special purpose local option sales tax.

Balls Ferry Fund – This fund is used to account for the grant funds and related expenditures for the development of the Balls Ferry State Park.

WILKINSON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	Special Revenue Funds			
	Emergency 911 Fund	Law Library	Family Connection	Law Enforcement Confiscation
ASSETS				
Cash and cash equivalents	$ 9,444	$ 16,847	$ 8,630	$ 21,723
Receivables, net of allowance				
Accounts	10,693	-	-	-
Due from other governments	-	-	10,854	-
Due from other funds	-	-	-	-
Total Assets	$ 20,137	$ 16,847	$ 19,484	$ 21,723
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Accrued payroll	5,549	-	-	-
Due to other funds	14,588	-	18,555	-
Total Liabilities	20,137	-	18,555	-
Fund Balances:				
Restricted	-	16,847	929	21,723
Total Fund Balances	-	16,847	929	21,723
Total Liabilities and Fund Balances	$ 20,137	$ 16,847	$ 19,484	$ 21,723

WILKINSON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

Special Revenue Funds		Capital Projects Funds				
Drug Abuse Education	Jail Fund	Special Purpose Local Option Sales Tax Fund 2003	Special Purpose Local Option Sales Tax Fund 1998	Special Purpose Local Option Sales Tax Fund Cities & Counties	Balls Ferry	Total Nonmajor Governmental Funds
$ 66,725	$ 32,604	$ 43,381	$ -	$ -	$ -	$ 199,354
-	-	-	-	-	229,144	239,837
-	-	-	-	-	3,135	13,989
-	53	-	-	-	-	53
$ 66,725	$ 32,657	$ 43,381	$ -	$ -	$ 232,279	$ 453,233
$ -	$ 1,560	$ -	$ -	$ -	$ 2,303	$ 3,863
-	-	-	-	-	-	5,549
53	-	-	-	-	-	33,196
53	1,560	-	-	-	2,303	42,608
66,672	31,097	43,381	-	-	229,976	410,625
66,672	31,097	43,381	-	-	229,976	410,625
$ 66,725	$ 32,657	$ 43,381	$ -	$ -	$ 232,279	$ 453,233

WILKINSON COUNTY, GEORGIA

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

	Special Revenue Funds			
	Emergency 911 Fund	Law Library	Family Connection	Law Enforcement Confiscation
Revenues:				
Intergovernmental	$ -	$ -	$ 42,009	$ -
Charges for services	45,526	7,277	-	-
Fines and forfeitures	-	-	-	7,866
Investment earnings	63	-	-	22
Other revenues	-	-	-	31,689
Total Revenues	45,589	7,277	42,009	39,577
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	215,829	-	-	19,001
Judicial	-	6,897	-	-
Health and welfare	-	-	42,069	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	8,750	-	-	-
Total Expenditures	224,579	6,897	42,069	19,001
Excess (Deficiency) of Revenues Over (Under) Expenditures	(178,990)	380	(60)	20,576
Other Financing Sources (Uses):				
Transfers from other funds	178,990	-	-	-
Total other financing sources (uses)	178,990	-	-	-
Net change in fund balances	-	380	(60)	20,576
Fund Balance - beginning of year	-	16,467	989	1,147
Fund Balance - end of year	$ -	$ 16,847	$ 929	$ 21,723

WILKINSON COUNTY, GEORGIA

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

Special Revenue Funds		Capital Projects Funds				
Drug Abuse Education	Jail Fund	Special Purpose Local Option Sales Tax Fund 2003	Special Purpose Local Option Sales Tax Fund 1998	Special Purpose Local Option Sales Tax Fund Cities & Counties	Balls Ferry	Total Nonmajor Governmental Funds
$ -	$ -	$ 11,060	$ -	$ -	$ 33,431	$ 86,500
-	-	-	-	-	-	52,803
9,987	17,693	-	-	-	-	35,546
360	210	286	114	253	-	1,308
-	-	-	-	-	-	31,689
10,347	17,903	11,346	114	253	33,431	207,846
-	-	5,851	-	-	-	5,851
2,762	3,816	8,150	-	-	-	249,558
-	-	-	-	-	-	6,897
-	-	-	-	-	-	42,069
-	-	9,494	-	-	42,626	52,120
	-	-	92,490	68,516	-	161,006
-	18,435	122,429	-	-	-	149,614
2,762	22,251	145,924	92,490	68,516	42,626	667,115
7,585	(4,348)	(134,578)	(92,376)	(68,263)	(9,195)	(459,269)
-	-	-	-	-	-	178,990
-	-	-	-	-	-	178,990
7,585	(4,348)	(134,578)	(92,376)	(68,263)	(9,195)	(280,279)
59,087	35,445	177,959	92,376	68,263	239,171	690,904
$ 66,672	$ 31,097	$ 43,381	$ -	$ -	$ 229,976	$ 410,625

WILKINSON COUNTY, GEORGIA

EMERGENCY 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Budget	Actual	Variance Positive/ (Negative)
Revenues:			
Charges for services	$ 54,163	$ 45,526	$ (8,637)
Investment earnings	-	63	63
Total Revenues	54,163	45,589	(8,574)
Expenditures:			
Current:			
Public safety	217,200	215,829	1,371
Capital outlay	8,750	8,750	-
Total Expenditures	225,950	224,579	1,371
Excess of Revenues Over (Under) Expenditures	(171,787)	(178,990)	(7,203)
Other Financing Sources (Uses):			
Transfer from General Fund	180,000	178,990	(1,010)
Total other Financing Sources (Uses)	180,000	178,990	(1,010)
Net change in fund balance	$ 8,213	-	$ (8,213)
Fund Balance - Beginning of Year		-	
Fund Balance - End of Year		$ -	

WILKINSON COUNTY, GEORGIA

LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Budget	Actual	Variance Positive/ (Negative)
Revenues:			
Charges for services	$ 7,000	$ 7,277	$ 277
Total Revenue	7,000	7,277	277
Expenditures:			
Current:			
Judicial	7,000	6,897	103
Total Expenditures	7,000	6,897	103
Net change in fund balance	$ -	380	$ 380
Fund Balance - Beginning of Year		16,467	
Fund Balance - End of Year		$ 16,847	

WILKINSON COUNTY, GEORGIA

FAMILY CONNECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Budget	Actual	Variance Positive/ (Negative)
Revenues:			
Intergovernmental	$ 42,200	$ 42,009	$ (191)
Total Revenue	42,200	42,009	(191)
Expenditures:			
Current:			
Health and welfare	42,200	42,069	131
Total Expenditures	42,200	42,069	131
Net change in fund balance	$ -	(60)	$ (60)
Fund Balance - Beginning of Year		989	
Fund Balance - End of Year		$ 929	

WILKINSON COUNTY, GEORGIA

LAW ENFORCEMENT CONFISCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Budget	Actual	Variance Positive/ (Negative)
Revenues:			
Fines and forfeitures	$ 8,000	$ 7,866	$ (134)
Other revenues	12,000	31,689	19,689
Investment earnings	-	22	22
Total Revenues	20,000	39,577	19,577
Expenditures:			
Current:			
Public safety	20,000	19,001	999
Total Expenditures	20,000	19,001	999
Net change in fund balance	$ -	20,576	$ 20,576
Fund Balance - Beginning of Year		1,147	
Fund Balance - End of Year		$ 21,723	

WILKINSON COUNTY, GEORGIA

DRUG ABUSE EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Budget	Actual	Variance Positive/ (Negative)
Revenues:			
Fines and forfeitures	$ 3,100	$ 9,987	$ 6,887
Investment earnings	-	360	360
Total Revenues	3,100	10,347	7,247
Expenditures:			
Current:			
Public safety	3,100	2,762	338
Total Expenditures	3,100	2,762	338
Net change in fund balance	$ -	7,585	$ 7,585
Fund Balance - Beginning of Year		59,087	
Fund Balance - End of Year		$ 66,672	

WILKINSON COUNTY, GEORGIA

JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Budget	Actual	Variance Positive/ (Negative)
Revenues:			
Fines and forfeitures	$ 23,000	$ 17,693	$ (5,307)
Investment earnings	-	210	210
Total Revenues	23,000	17,903	(5,097)
Expenditures:			
Current:			
Public safety	4,000	3,816	184
Capital outlay	19,000	18,435	565
Total Expenditures	23,000	22,251	749
Net change in fund balance	$ -	(4,348)	$ (4,348)
Fund Balance - Beginning of Year		35,445	
Fund Balance - End of Year		$ 31,097	

WILKINSON COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
SEPTEMBER 30, 2011

	Superior Court	Sheriff's Office	Magistrate Court	Probate Court	Juvenile Court	Tax Commissioner	Total
Assets							
Cash and cash equivalents	$ 921,089	$ 12,993	$ 68	$ 3,838	$ 174	$ 88,978	$ 1,027,140
Total Assets	$ 921,089	$ 12,993	$ 68	$ 3,838	$ 174	$ 88,978	$ 1,027,140
Liabilities							
Funds held in escrow	$ 906,867	$ -	$ -	$ -	$ -	$ 5,167	$ 912,034
Due to other governments	-	-	-	-	-	83,811	83,811
Other	14,222	12,993	68	3,838	174	-	31,295
Total Liabilities	$ 921,089	$ 12,993	$ 68	$ 3,838	$ 174	$ 88,978	$ 1,027,140

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WILKINSON COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Balance October 1, 2010	Additions	Deletions	Balance September 30, 2011
Total - All Agency Funds				
Assets				
Cash and cash equivalents	$ 444,241	$ 9,619,157	$ 9,036,258	$ 1,027,140
Total Assets	$ 444,241	$ 9,619,157	$ 9,036,258	$ 1,027,140
Liabilities				
Due to other governments	$ 90,718	$ 7,844,786	$ 7,851,693	$ 83,811
Funds held in escrow	329,488	1,122,264	539,718	912,034
Other	24,035	652,107	644,847	31,295
Total Liabilities	$ 444,241	$ 9,619,157	$ 9,036,258	$ 1,027,140

WILKINSON COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Balance October 1, 2010	Additions	Deletions	Balance September 30, 2011
Superior Court				
Assets				
Cash and cash equivalents	$ 334,914	$ 1,136,968	$ 550,793	$ 921,089
Total Assets	$ 334,914	$ 1,136,968	$ 550,793	$ 921,089
Liabilities				
Funds held in escrow	$ 329,488	$ 1,030,893	$ 453,514	$ 906,867
Other	5,426	106,075	97,279	14,222
Total Liabilities	$ 334,914	$ 1,136,968	$ 550,793	$ 921,089
Sheriff's Office				
Assets				
Cash and cash equivalents	$ 1,119	$ 38,075	$ 26,201	$ 12,993
Total Assets	$ 1,119	$ 38,075	$ 26,201	$ 12,993
Liabilities				
Other	$ 1,119	$ 38,075	$ 26,201	$ 12,993
Total Liabilities	$ 1,119	$ 38,075	$ 26,201	$ 12,993

WILKINSON COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Balance October 1, 2010	Additions	Deletions	Balance September 30, 2011
Magistrate Court				
Assets				
Cash and cash equivalents	$ 1,182	$ 97,038	$ 98,152	$ 68
Total Assets	$ 1,182	$ 97,038	$ 98,152	$ 68
Liabilities				
Funds held in escrow	$ -	$ 86,204	$ 86,204	$ -
Other	1,182	10,834	11,948	68
Total Liabilities	$ 1,182	$ 97,038	$ 98,152	$ 68
Probate Court				
Assets				
Cash and cash equivalents	$ 2,079	$ 37,777	$ 36,018	$ 3,838
Total Assets	$ 2,079	$ 37,777	$ 36,018	$ 3,838
Liabilities				
Other	$ 2,079	$ 37,777	$ 36,018	$ 3,838
Total Liabilities	$ 2,079	$ 37,777	$ 36,018	$ 3,838

WILKINSON COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Balance October 1, 2010	Additions	Deletions	Balance September 30, 2011
Juvenile Court				
Assets				
Cash and cash equivalents	$ 344	$ 936	$ 1,106	$ 174
Total Assets	$ 344	$ 936	$ 1,106	$ 174
Liabilities				
Other	$ 344	$ 936	$ 1,106	$ 174
Total Liabilities	$ 344	$ 936	$ 1,106	$ 174
Tax Commissioner's Office				
Assets				
Cash and cash equivalents	$ 104,603	$ 8,308,363	$ 8,323,988	$ 88,978
Total Assets	$ 104,603	$ 8,308,363	$ 8,323,988	$ 88,978
Liabilities				
Due to other governments	$ 90,718	$ 7,844,786	$ 7,851,693	$ 83,811
Funds held in escrow	-	5,167	-	5,167
Other	13,885	458,410	472,295	-
Total Liabilities	$ 104,603	$ 8,308,363	$ 8,323,988	$ 88,978

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GOVERNMENTAL REPORTS

WILKINSON COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Project:	Original Estimated Cost (Note 2)	Expenditures: Prior Years (restated)	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion
Special Purpose Local Option Sales Tax Cities and Counties: (Note 4)					
Roads, streets and bridges	N/A	$ 7,327,307	$ -	$ 7,327,307	N/A
City of Danville	N/A	7,384	9,735	17,119	N/A
City of Toomsboro	N/A	65,303	58,781	124,084	N/A
	$ -	$ 7,399,994	$ 68,516	$ 7,468,510	
Special Purpose Local Option Sales Tax (98): (Note 4)					
Roads, streets and bridges	$ 8,000,000	$ 6,980,931	$ -	$ 6,980,931	87%
Recreation facilities	N/A	875,378	-	875,378	N/A
Fire protection facilities	N/A	589,968	-	589,968	N/A
Debt service	N/A	21,134	-	21,134	N/A
City of Irwinton (Note 3)	N/A	-	44,928	44,928	N/A
City of Toomsboro (Note 3)	N/A	-	47,562	47,562	N/A
Totals	$ 8,000,000	$ 8,467,411	$ 92,490	$ 8,559,901	
Special Purpose Local Option Sales Tax (2003):					
Recreation facilities	$ 400,000	$ 356,609	$ 9,494	$ 366,103	92%
Public safety - equipment	400,000	426,448	8,150	434,598	109%
Public safety - vehicles	-	59,669	-	59,669	N/A
Public works	N/A	2,399,922	90,531	2,490,453	N/A
Courthouse/extension	4,000,000	4,010,466	-	4,010,466	100%
Furniture and equipment	N/A	365,819	-	365,819	N/A
New cell development	N/A	245,077	-	245,077	N/A
Architectural and engineering	N/A	26,406	-	26,406	N/A
Bond issuance costs	N/A	81,467	-	81,467	N/A
Debt service	N/A	4,505,839	-	4,505,839	N/A
City of Toomsboro (Note 3)	N/A	-	37,749	37,749	N/A
Totals	$ 4,800,000	$ 12,477,722	$ 145,924	$ 12,623,646	

WILKINSON COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Project:	Original Estimated Cost (Note 2)	Expenditures: Prior Years (restated)	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion
Special Purpose Local Option Sales Tax (2007):					
Debt service	$ -	$ 1,672,069	$ 757,682	$ 2,429,751	N/A
Roads, streets and bridges	1,665,000	-	193,215	193,215	12%
Public safety - equipment (Note 5)	2,400,000	190,284	35,288	225,572	9%
Public safety - vehicles (Note 1)	-	295,951	170,516	466,467	N/A
Economic development	750,000	833,010	-	833,010	111%
Recreation	325,000	-	-	-	0%
Public buildings	2,000,000	297,905	-	297,905	15%
Solid waste	60,000	-	-	-	0%
City of Allentown (Note 5)	242,877	7,198	108,884	116,082	48%
City of Danville	174,330	6,277	76,337	82,614	47%
City of Gordon	1,950,000	52,168	850,020	902,188	46%
City of Irwinton	496,756	78,021	159,443	237,464	48%
Town of Ivey	930,889	212,918	234,080	446,998	48%
City of McIntyre	607,616	79,751	210,765	290,516	48%
City of Toomsboro	526,375	1,730	249,614	251,344	48%
Totals	$ 12,128,843	$ 3,727,282	$ 3,045,844	$ 6,773,126	

Note 1- In FY09 the County received a grant from Georgia Department of Human Resources in the amount of $71,429 to purchase an ambulance. The County used SPLOST 2007 funds to cover the remaining balance of the ambulance in the amount of $19,055.

Note 2- The SPLOST 2007 Original Estimated Cost column was reformatted to present the projects by city rather than by function.

Note 3- In prior years, the payments to individual cities were not broken out as separate projects.

Note 4- The County, closed out the SPLOST Cities and Counties and SPLOST 1998 in FY2011.

Note 5- In FY2011, the SPLOST 2007 prior years expenditure column was restated by the County to reduce $37,000 from the City of Allentown project and to increase the Public Safety - equipment project by $37,000. There was no change in the total prior year column for this reallocation.

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CLHP CLIFTON, LIPFORD, HARDISON & PARKER, LLC

J. Russell Lipford, Jr., CPA
Mark O. Hardison, CPA
Terry I. Parker, CPA
Christopher S. Edwards, CPA
Lynn S. Hudson, CPA
Kevin E. Lipford, CPA

Member of
American Institute of
Certified Public Accountants
Truman W. Clifton (1902-1989)

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

Board of Commissioners
Wilkinson County, Georgia

We were engaged to audit the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wilkinson County, Georgia as of and for the fiscal year ended September 30, 2011, which collectively comprise Wilkinson County, Georgia's basic financial statements and have issued our report thereon dated September 17, 2012. The scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements of the aggregate remaining fund information as of and for the year ended September 30, 2011. We did not audit the financial statements of the Wilkinson County Board of Health and the Wilkinson County Development Authority, component units, which represents 100% of the assets and 100% percent of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Wilkinson County Board of Health and the Wilkinson County Development Authority, are 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.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the

1503 Bass Road
P.O. Box 6315 Macon, Georgia 31208-6315
Phone 478-742-3313 ▪ Fax 478-742-0316

www.clhp.com

468 South Houston Lake Road
Warner Robins, Georgia 31088
Phone 478-953-0125 ▪ Fax 478-953-0983

accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. 2011-01 and 2011-02.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Wilkinson County, Georgia in a separate letter dated September 17, 2012.

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

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia
September 17, 2012

FINANCIAL STATEMENT FINDINGS

Findings noted on the 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*:

2011-01 Tax Commissioner Office – Fiscal Management of Office

CRITERIA

Under the laws of the State of Georgia, the Tax Commissioner is a constitutional officer charged with a variety of duties of the office. The Oath of Office requires that the Tax Commissioner - "do swear that I will diligently collect all taxes required of me by law as tax collector, and that I will diligently collect all taxes required by law for me to collect and faithfully pay these over to the persons authorized to receive the same." These duties include, but are not limited to, the following:

- "Shall keep a record in the form of a "cashbook" in which he shall record all items of cash collected for taxes, the date collected, the amount collected, and the name of the person for whose taxes the cash was collected."
- "Shall record in the cashbook all items of cash paid out by him to the authorities of the state or counties, designating whether to the state or the counties, to whom paid for either the state or county, the date each amount was paid, and the amount paid."
- "To render annually to the county governing authority an account of his official actions respecting the county taxes and funds and to make his books, vouchers, account, and all things pertaining to his office available for inspection by the county governing authority."

CONDITION

Internal control breakdowns occurred in the management of the office during the reporting period for FY2011. Audit and investigative procedures identified:

- Failures to deposit taxes collected in a timely manner.
- Failures to record payments of taxes into the Commission's contemporaneous accounting system.
- Failures to disburse all funds collected to the appropriate parties.
- Failures to implement fiscal controls in the Commission's office.
- Overriding and circumventing through direction and action the process and controls of the Commission office.
- Failures to effectively pursue delinquent tax payers.
- Failures in protecting the physical access to Commission assets.
- Failures to perform monthly bank reconciliations.

The Tax Commissioner used a "lagging/replacement" scheme whereby taxes were collected by him and his employees in the normal course of Commission duties and were, at times, deposited to the bank account but not recorded by him in the Commission's contemporaneous accounting systems while, at other times, taxes collected were recorded in the contemporaneous accounting system but not deposited in the Commission's bank account.

EFFECT

The results of the lagging/replacement scheme was the creation of an unaccounted, irreconcilable difference that served as a cash "float" that enabled the removal of physical cash assets from the office and replacing it with taxpayer check payments. The cash "float" created as of September 30, 2011 could be viewed as material for the Tax Commissioner Office.

CAUSE

The Tax Commissioner negligence and mismanagement of government funds was his intentional effort to disguise and confuse illicit activities done by him for personal benefit. Additionally, certain previously established internal control procedures were not complied with during this fiscal year. On July 31, 2012, the Tax Commissioner pled guilty to three felony counts of theft by taking and one count of violation of oath by Public Officer and he resigned from elected office.

RECOMMENDATION

The office and new Tax Commissioner, should implement new and additional internal control procedures as prescribed by the Department of Revenue and other authoritative guidance.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Wilkinson County agrees with the finding. The former Tax Commissioner resigned his office July 31, 2012 and was replaced by the Deputy Tax Commissioner as per Georgia Law. On August 21, 2012, the Deputy Tax Commissioner was elected as Tax Commissioner with the new term beginning January 1, 2013. The newly elected Tax Commissioner is in the process of establishing additional internal controls and accounting procedures to address the breakdowns identified above.

2011-02 Tax Commissioner Office – Collection and Disbursement of Timber Tax

CRITERIA

State laws O.C.G.A. 48-5-7.5 (a) provide for the taxation of standing timber only once for ad valorem tax purposes. That assessment and tax is accomplished in conjunction with its harvest and sale. Reports are made using form PT-283T. In all instances the Tax Commissioner will use this completed form, either as originally filed or as furnished after the Tax Assessors has made an assessment, as the basis for collecting the tax. After the PT-283T is prepared, the bill is to be entered into Tax Commissioners Office accounting system for the pending disbursement to the appropriate taxing authorities as prescribed by State law.

CONDITION

Audit and investigative procedures identified two payments from a company that could not be traced to a matching entry on the Tax Commissioner's Office Tailored Business System (TBS) tax accounting record of collections and reports or other accounting systems utilized by the office. In addition, the required disbursements of the taxes paid to the appropriate taxing authorities did not occur.

EFFECT

The Tax Commissioner failed to report and account for two Timber tax payments of $35,261.46 as required under State law as tax collector and furthermore did not disburse the $35,261.46 to the appropriate taxing authorities.

CAUSE

On July 31, 2012, the Tax Commissioner pled guilty to three felony counts of theft by taking and one count of violation of oath by Public Officer and he resigned from elected office. The plea agreement states that restitution of $35,261.46 is to be made to the Wilkinson Tax Commissioner Office.

RECOMMENDATION

The Office should enhance the internal controls and coordination between the Tax Assessor's Office and the Tax Commissioner's Office over timber tax.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Wilkinson County agrees with the finding. The former Tax Commissioner resigned his office July 31, 2012 and was replaced by the Deputy Tax Commissioner as per Georgia Law. On August 21, 2012, the Deputy Tax Commissioner was elected as Tax Commissioner with the new term beginning January 1, 2013. The newly elected Tax Commissioner is in the process of establishing additional internal controls and accounting procedures to address the breakdowns identified above.

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