Wilkinson County, Georgia

Annual Financial Report

For the Year Ended September 30, 2012

WILKINSON COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Issued by: David Franks, County Manager
under Authority of the Board of Commissioners

WILKINSON COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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Financial Section

THIGPEN, JONES, SEATON & CO. PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
of 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 (the "County"), as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wilkinson County, Georgia's elected officials and 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 Public Health Center or the Wilkinson County Development Authority, both of which are major component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Wilkinson County Public Health Center and the Wilkinson County Development Authority, are based on the reports 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 also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

Internal control breakdowns and fraud occurred in the Tax Commissioner's Office during the year ended September 30, 2012. 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 a 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, 2012.

In addition, based on our audit and the report of the 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 2007 SPLOST Fund of Wilkinson County, Georgia, as of September 30, 2012, 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.

Wilkinson County, Georgia did not present the Management's Discussion and Analysis for the year ended September 30, 2012 required by the Government Accounting Standards Board. The omission of the Management's Discussion and Analysis does not affect the conclusion regarding the fair presentation of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2013, on our consideration of Wilkinson County'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.

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The schedules of funding progress on pages 33 and 34 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.

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 non-major fund financial statements and 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

Thigpen, Jones, Seale + Co., P.C.

March 27, 2013
Dublin, Georgia

Basic Financial Statements

WILKINSON COUNTY, GEORGIA

EXHIBIT 1

STATEMENT OF NET ASSETS
AS OF SEPTEMBER 30, 2012

	Primary Government	Component Units	
	Governmental Activities	Development Authority	Board of Health
Assets			
Cash and cash equivalents	$ 2,903,873	$ 271,453	$ 464,156
Certificates of deposit	4,600,000	-	-
Receivables, net of allowances for uncollectible:			
Taxes	290,483	-	-
Accounts	222,204	-	1,668
Intergovernmental	291,484	2,000	-
Accrued interest	9,064	-	-
Other	120,978	-	-
Prepaid items	92,862		-
Inventory	32,074	-	-
Bond issuance costs	20,939	-	-
Capital assets:			
Land and other non-depreciable assets	328,857	1,805,913	-
Other capital assets, net of depreciation	11,628,418	10,911	-
Total assets	20,541,236	2,090,277	465,824
Liabilities			
Accounts payable	141,437	1,414	-
Accrued expenses	67,470	1,175	-
Accrued interest payable	9,232	-	-
Long-term obligations:			
Due within one year	781,590	142,500	2,549
Due in more than one year	820,764	-	22,941
Total liabilities	1,820,493	145,089	25,490
Net Assets			
Invested in capital assets, net of related debt	10,517,275	1,674,324	-
Reserved for prepaid expenditures	92,862	-	-
Restricted for:			
Capital projects	2,076,620	-	-
Public safety	119,378	-	-
Balls Ferry	198,417		
Monitoring	-	3,926	-
Law library	14,474	-	-
Other purposes	843	-	370,370
Unrestricted	5,700,874	266,938	69,964
Total Net Assets	$ 18,720,743	$ 1,945,188	$ 440,334

The Accompanying Notes to the Financial Statements are an integral part of this statement

WILKINSON COUNTY, GEORGIA

EXHIBIT 2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Units: Development Authority	Net (Expense) Revenue and Changes in Net Assets: Component Units: Board of Health
Primary Government							
Governmental Activities:							
General government	$ 3,423,095	$ 310,598	$ 22,285	$ -	$ (3,090,212)	$ -	$ -
Public safety	2,065,095	418,588	5,000	82,567	(1,558,940)	-	-
Judicial	616,979	6,813	19,989	-	(590,177)	-	-
Public works	1,407,249	17,773	-	-	(1,389,476)	-	-
Health and welfare	797,016	-	195,733	-	(601,283)	-	-
Culture and recreation	304,738	54,565	131,924	-	(118,249)	-	-
Economic development	100,722	-	-	-	(100,722)	-	-
Interest on long-term debt	78,113	-	-	-	(78,113)	-	-
Total governmental activities	8,793,007	808,337	374,931	82,567	(7,527,172)	-	-
Total primary government	$ 8,793,007	$ 808,337	$ 374,931	$ 82,567	$ (7,527,172)	$ -	$ -
Component Units							
Wilkinson County Development Authority	$ 89,467	$ 7,980	$ 135,299	$ -	-	53,812	-
Wilkinson County Board of Health	412,480	100,160	303,464	-	-	-	(8,856)
Total component units	$ 501,947	$ 108,140	$ 438,763	$ -	-	53,812	(8,856)
General revenues:							
Property taxes					4,194,065	-	-
Sales tax					2,567,796	-	-
Insurance premium tax					197,213		
Other taxes					523,999	-	-
Unrestricted investment earnings					37,667	630	-
Miscellaneous					320,578	15,099	-
Gain on sale of capital assets					41,376	-	-
Total general revenues and transfers					7,882,694	15,729	-
Change in net assets					355,522	69,541	(8,856)
Net assets-beginning - as restated					18,365,221	1,875,647	449,190
Net assets-ending					$ 18,720,743	$ 1,945,188	$ 440,334

The Accompanying Notes to the Financial Statements are an integral part of this statement

WILKINSON COUNTY, GEORGIA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General	2007 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,100,009	$ 595,110	$ 208,754	$ 2,903,873
Certificates of deposit	3,250,000	1,350,000	-	4,600,000
Receivables, net of allowances for uncollectibles:				
Taxes	290,483	-	-	290,483
Accounts	-	-	222,204	222,204
Intergovernmental	100,063	139,183	52,238	291,484
Accrued Interest	8,960	104	-	9,064
Others	120,978	-	-	120,978
Due from other funds	73,620	-	2,906	76,526
Prepaid expenditures	92,862	-	-	92,862
Inventory	32,074	-	-	32,074
Total Assets	$ 6,069,049	$ 2,084,397	$ 486,102	$ 8,639,548
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 60,125	$ 33,175	$ 48,137	$ 141,437
Accrued expenses	61,635	-	5,835	67,470
Due to other funds	2,906	-	73,620	76,526
Deferred revenues	262,005	-	-	262,005
Total liabilities	386,671	33,175	127,592	547,438
Fund Balances:				
Nonspendable for prepaid expenditures	92,862	-	-	92,862
Restricted for:				
Capital projects	-	2,051,222	25,398	2,076,620
Public safety	-	-	119,378	119,378
Balls Ferry	-	-	198,417	198,417
Law Library	-	-	14,474	14,474
Other purposes	-	-	843	843
Unassigned	5,589,516	-	-	5,589,516
Total fund balances	5,682,378	2,051,222	358,510	8,092,110
Total Liabilities and Fund Balances	$ 6,069,049	$ 2,084,397	$ 486,102	$ 8,639,548

The Accompanying Notes to the Financial Statements are an integral part of this statement

WILKINSON COUNTY, GEORGIA

EXHIBIT 4

RECONCILIATION OF NET ASSETS – GOVERNMENTAL FUNDS IN THE STATEMENT OF NET ASSETS TO TOTAL FUND BALANCE – GOVERNMENTAL FUNDS ON THE BALANCE SHEET FOR THE YEAR ENDED SEPTEMBER 30, 2012

Fund balance - total governmental funds	$	8,092,110
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		11,957,275
Bond issuance costs used in governmental activities are not financial resources and therefore are not reported in the funds.		20,939
Post employment pension benefits used in governmental activities are not financial resources and therefore are not reported in the funds.		(25,139)
Other post employment benefits used in governmental activities are not financial resources and therefore are not reported in the funds.		(93,100)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		262,005
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable		(1,440,000)
Accrued interest payable		(9,232)
Compensated absences		(44,115)
Net assets of governmental activities	$	18,720,743

The Accompanying Notes to the Financial Statements are an integral part of this statement

WILKINSON COUNTY, GEORGIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General	2007 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property tax	$ 4,223,342	$ -	$ -	$ 4,223,342
Sales tax	867,272	1,700,524	-	2,567,796
Insurance premium tax	197,213	-	-	197,213
Other taxes	523,999	-	-	523,999
Licenses and permits	12,490	-	-	12,490
Intergovernmental revenues	198,828	82,567	176,103	457,498
Charges for services	479,026	-	58,076	537,102
Fines and forfeitures	241,420	-	29,815	271,235
Interest income	25,658	11,519	490	37,667
Other revenues	307,088	-	1,000	308,088
Total revenues	7,076,336	1,794,610	265,484	9,136,430
Expenditures:				
Current:				
General government	2,561,666	31,028	-	2,592,694
Public safety	1,488,057	104,608	221,429	1,814,094
Judicial	593,282	-	14,919	608,201
Public works	1,124,305	-	-	1,124,305
Health and welfare	719,602	-	45,265	764,867
Culture and recreation	120,189	-	163,484	283,673
Economic development	82,656	-	18,066	100,722
Payments to other governmental agencies	-	688,541	-	688,541
Debt Service:				
Principal payments	-	680,000	-	680,000
Interest payments	-	82,657	-	82,657
Capital outlay	10,600	1,441,003	7,704	1,459,307
Total expenditures	6,700,357	3,027,837	470,867	10,199,061
Excess (Deficiency) of Revenues Over (Under) Expenditures	375,979	(1,233,227)	(205,383)	(1,062,631)
Other Financing Source (Use):				
Transfers in	-	-	153,267	153,267
Transfers out	(153,267)	-	-	(153,267)
Proceeds from sales of capital assets	41,376	-	-	41,376
Total other financing source (use)	(111,891)	-	153,267	41,376
Net change in fund balances	264,088	(1,233,227)	(52,116)	(1,021,255)
Fund balances - beginning	5,418,290	3,284,449	410,626	9,113,365
Fund balances - ending	$ 5,682,378	$ 2,051,222	$ 358,510	$ 8,092,110

The Accompanying Notes to the Financial Statements are an integral part of this statement

WILKINSON COUNTY, GEORGIA

EXHIBIT 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2012

Net change in fund balances - total governmental funds	$ (1,021,255)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Assets.	1,459,307
Depreciation expenses on governmental capital assets are included in the governmental activities column in the Statement of Net Assets but are not shown in the governmental funds.	(721,679)
Bond issuance costs are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(10,468)
Post employment pension benefits are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(3,757)
Other post employment benefits are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(7,336)
In the Statement of Activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets disposed of.	-
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Accrued interest payable	4,544
Compensated absences	5,443
Repayment of long-term debt is reported as an expenditure in the governmental funds, but as a reduction of long-term liabilities in the Statement of Net Assets.	680,000
Revenues in the statement of activities that do not provide financial resources are not reported as revenues in the funds. The amount of deferred revenues recognized as revenue in the statement of activities is as follows -	
Property taxes	(29,277)
Change in net assets of governmental activities	$ 355,522

The Accompanying Notes to the Financial Statements are an integral part of this statement

WILKINSON COUNTY, GEORGIA

EXHIBIT 7
PAGE 1 OF 4

GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Taxes Revenues:				
General property taxes	$ 4,051,300	$ 4,141,300	$ 4,223,342	$ 82,042
Local option sales tax	900,000	900,000	867,272	(32,728)
Other taxes:				
Beer and wine tax	9,000	9,000	8,705	(295)
Insurance premium tax	230,000	230,000	197,213	(32,787)
Real estate transfer tax	3,400	3,400	3,689	289
Timber tax	46,000	46,000	81,952	35,952
Recording intangibles tax	10,000	10,000	13,910	3,910
Vehicles and mobile homes	411,000	411,000	361,307	(49,693)
Financial institution tax	20,000	20,000	22,577	2,577
Railroad equipment	23,000	23,000	28,161	5,161
Other tax	2,800	2,800	3,698	898
Total taxes revenues	5,706,500	5,796,500	5,811,826	15,326
Licenses and permits:				
Beer and wine	1,530	1,530	1,020	(510)
Occupation tax	5,400	5,400	9,745	4,345
Other	400	400	1,725	1,325
Total licenses and permits	7,330	7,330	12,490	5,160
Intergovernmental Revenues:				
Federal grants:				
Rural transit fee reimbursement	50,000	50,000	53,898	3,898
Senior citizens	92,025	92,025	91,713	(312)
State grants:				
DCA Local Assistance Grant	-	-	4,800	4,800
Forest land protection grant	15,000	15,000	22,285	7,285
EMA Grant	-	-	5,000	5,000
Juvenile Court Grant	-	-	3,455	3,455
Georgia Inmate Board	19,000	19,000	16,534	(2,466)
Other grants	775	775	1,143	368
Total intergovernmental revenues	176,800	176,800	198,828	22,028

WILKINSON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
Charges for Services:				
Tax Commissioner - cost, fees and commissions	261,000	261,000	309,982	48,982
Public transit fees	7,500	7,500	7,587	87
Streets and sanitation	10,120	10,120	8,889	(1,231)
Pipe installations	2,000	2,000	1,297	(703)
Recreation	55,000	55,000	54,565	(435)
Resource officer	68,000	68,000	51,093	(16,907)
Commissary	-	44,000	44,997	997
Other	1,900	1,900	616	(1,284)
Total charges for services	405,520	449,520	479,026	29,506
Fines and Forfeitures:				
Sheriffs costs and fees	15,275	15,275	16,894	1,619
Superior Court	106,151	106,151	83,379	(22,772)
Probate Court	99,300	99,300	105,235	5,935
Magistrate Court	29,000	29,000	30,618	1,618
Juvenile Court	206	206	5,294	5,088
Total fines and forefeitures	249,932	249,932	241,420	(8,512)
Other Revenues:				
Interest earnings	27,580	27,580	25,658	(1,922)
Rents	50	50	450	400
Highway 57 landfill site	25,000	25,000	69,355	44,355
Annual landfill payment	50,000	120,000	120,123	123
Insurance proceeds	-	95,000	95,000	-
Miscellaneous	22,490	22,490	22,160	(330)
Total other revenues	125,120	290,120	332,746	42,626
Total Revenues	**$ 6,671,202**	**$ 6,970,202**	**$ 7,076,336**	**$ 106,134**

The Accompanying Notes to the Financial Statements are an integral part of this statement

WILKINSON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
General Government:				
Board of commissioners	$ 1,633,721	$ 1,633,721	$ 1,579,841	$ 53,880
Tax commissioner's office	201,283	336,283	335,333	950
Tax assessor's Office	216,758	216,758	199,374	17,384
Tax equalization office	5,717	5,717	3,020	2,697
Registrars	75,032	85,532	84,966	566
Public buildings	261,391	266,391	266,005	386
County extension service	36,144	37,695	36,303	1,392
Coroner's office	28,710	29,910	29,633	277
Forestry department	27,191	27,191	27,191	-
Total General Government	2,485,947	2,639,198	2,561,666	77,532
Public Safety:				
Sheriff's office	900,666	948,766	947,259	1,507
Commissary	-	44,000	43,510	490
Jail operations	474,586	498,895	497,288	1,607
Total Public Safety	1,375,252	1,491,661	1,488,057	3,604
Judicial:				
Superior Court	343,566	343,566	339,524	4,042
Probate Court	140,767	140,767	137,717	3,050
Magistrate Court	119,569	119,569	116,041	3,528
Total Judicial	603,902	603,902	593,282	10,620
Public Works:				
Roads and bridges	828,217	828,217	748,923	79,294
Public transit	114,034	126,034	124,830	1,204
Streets and sanitation	273,209	273,209	250,552	22,657
Total Public Works	1,215,460	1,227,460	1,124,305	103,155

WILKINSON COUNTY, GEORGIA

EXHIBIT 7
PAGE 4 OF 4

GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
Health and Welfare:				
Emergency management	37,755	39,706	38,379	1,327
Ambulance - service contract	372,000	372,000	371,000	1,000
Ambulance - other operating	18,600	18,600	15,233	3,367
Paws and Claws	6,000	9,000	9,000	-
Senior Citizens Center	105,631	113,631	113,140	491
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	712,836	725,787	719,602	6,185
Culture and Recreation:				
Library	25,000	25,000	20,000	5,000
Recreation department	58,039	100,252	100,189	63
Total Culture and Recreation	83,039	125,252	120,189	5,063
Economic Development -				
Wilkinson County Development Authority	82,252	83,000	82,656	344
Capital Outlay -				
Public buildings	-	12,000	10,600	1,400
Total Expenditures	6,558,688	6,908,260	6,700,357	207,903
Excess of Revenues Over Expenditures	112,514	61,942	375,979	314,037
Other Financing Source (Use):				
Transfer out	(199,272)	(155,000)	(153,267)	1,733
Proceeds from sale of capital assets	-	-	41,376	41,376
Total Other Financing Source (Use)	(199,272)	(155,000)	(111,891)	43,109
Excess of Revenues and Other Financing Source Over Expenditures and Other Financing Use	(86,758)	(93,058)	264,088	357,146
Fund Balance, Beginning	5,418,290	5,418,290	5,418,290	-
Fund Balance, Ending	$ 5,331,532	$ 5,325,232	$ 5,682,378	$ 357,146

The Accompanying Notes to the Financial Statements are an integral part of this statement

WILKINSON COUNTY, GEORGIA

EXHIBIT 8

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
SEPTEMBER 30, 2012

	Agency Funds
ASSET	
Cash	$ 1,568,345
LIABILITY	
Other liabilities	$ 1,568,345

The Accompanying Notes to the Financial Statements are an integral part of this statement

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Wilkinson County, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to Government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the County are described below.

A. Reporting Entity

The County is a local municipality governed by an elected five-member Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the County is considered to be financially accountable.

Blended component units, although legally separate entities, are in substance part of the governments operations. The component unit column in the government-wide financial statements (see note below for description) includes the financial data of the County's discretely presented component units. Each discretely presented component unit is reported in a separate column to emphasize it is legally separate from the County.

Component Units and Related Entities

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 it 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 become the property of Wilkinson County.

Discretely Presented Component Units:

- **Wilkinson County Development Authority** – The Wilkinson County Commissioners appoint the members for the Authority. The Authority is charged with promoting and expanding industry and trade within Wilkinson County. The Authority receives revenue from appropriations from the County. The Authority has a fiscal year ended December 31, 2011. The Authority is fiscally dependent on the County. Complete financial statements can be obtained from the Wilkinson County Clerk.

  Wilkinson County, Georgia
  PO Box 161
  Irwinton, GA 31042

- **Wilkinson County Health Department** - The Wilkinson County Public Health Center (the Center) provides various health services for citizens in Wilkinson County under a contract with the Georgia Department of Human Resources (DHR). The Wilkinson County Commissioners appoint the majority of the members for the governing body of the Center.

  The County Commissioners have the authority to remove appointed members of the governing board at will, and the power to disapprove the Center's operating budget. The Center receives revenue through a contractual agreement with DHR as well as from Wilkinson County, Georgia. The Center has a fiscal year ended June 30, 2012.

  Complete financial statements can be obtained at the entity's administrative office.

  Wilkinson County Public Health Center
  123 High Hill Street
  Irwinton, GA 31042

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenues and 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 unit*s 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 revenue*s include 1) charges to customer 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 are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 will be collected 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 to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Government.

The County reports the following major governmental funds:

The *General Fund* is the general operating fund of Wilkinson County, Georgia. It is used to account for all financial resources of the general government, except those required legally or by sound financial management to be accounted for in another fund.

The 2007 *SPLOST Fund* accounts for the accumulation of SPLOST proceeds and payment of general obligation bond principal and interest.

Additionally, the County reports the following fund types:

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditure for specific purposes. The following Special Revenue Funds are used by Wilkinson County, Georgia: Drug Abuse Education, Family Connection, Law Library, Law Enforcement Confiscation, Emergency 911, Jail, Special Purpose Local Option Sales Tax 2003 and Balls Ferry.

The *Agency Funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the Government holds for others in an agency capacity.

GASB 34 eliminates the presentation of *Account Groups*, but provides for these records to be maintained and used to account for fixed assets and long-term liabilities that are not reflected on the balance sheet of Governmental type funds due to the current financial resources measurement focus that they use.

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 County has elected not to follow subsequent private-sector guidance.

Governmental activities have been consolidated in the government-wide financial statements. Total governmental funds have been combined with general fixed assets and long term liabilities. The effect of interfund activity has been removed from the government-wide financial statements. Due to/from other funds have been eliminated as well as operating transfers between funds.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Non-operating revenues and expenses are revenues and expenses associated with items that are not connected with a proprietary's fund principal ongoing operations.

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

D. Assets, Liabilities and Net Assets or Equity

1. ***Deposits and Investments*** - Cash includes amounts in both interest-bearing and non-interest-bearing demand deposits. State statutes authorize the Government to invest in obligations of the U.S. Treasury, obligations of the State of Georgia or any other states, obligations fully insured or guaranteed by the United States government or governmental agency, Local Government Investment Pool, commercial paper, corporate bonds, obligation of other political subdivisions of the State of Georgia, and repurchase agreements. Any bank deposit in excess of the total FDIC insured amount must be secured by an equivalent amount of State or U.S. obligations.

   Investments are recorded at cost or amortized cost plus accrued interest, which approximates market value.

   For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

2. ***Receivables and Payables*** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The current portion of these interfund receivables and payables are classified as "due from other funds" or "due to other funds" in the governmental funds.

Property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 24 percent of outstanding property taxes at September 30, 2012. Property taxes are levied as of January 1 on property values assessed as of the same date.

3. ***Prepaid Items*** - For prepaid expenditures in the government-wide and fund financial statements, the County reports the expenditures during the benefiting period.

4. ***Capital Assets*** – Capital assets, which include property, plant equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental columns 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. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements.

   The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

   Major outlays for capital assets and improvements are capitalized as projects are constructed. GASB statement 37 prohibits the capitalization of interest on assets constructed for use in governmental activities. However, interest from debt not considered to be general long-term debt may be included as part of the cost of assets constructed for business-type activities. The total interest expense incurred by the County during the current fiscal year was $78,113. Of this amount, $-0- was included as part of the cost of capital assets under construction in connection with public building construction projects.

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

Assets	Years
Buildings and improvements	20 - 40
Vehicles	5
Equipment	3 - 10
Roads	30
Infrastructure	30

5. ***Compensated Absences*** - It is the Government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Government does not have a policy to pay any amounts when employees separate from service with the Government. All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. ***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.

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

Fund Balance

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

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.

Assigned – Funds balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed.

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

The County uses restricted amounts to be spent when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the County would then use committed, assigned and lastly, unassigned amounts from the unrestricted fund balances when expending funds.

Net Assets

Invested in capital assets, net of related debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction or improvement of the assets.

Restricted net assets – This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted net assets – This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

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

9. ***Bond Discounts/Issuance Costs*** **–** In governmental fund types, bond discounts ad 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 the bonds payable, whereas issuance costs are recorded as deferred charges.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Prior to the fiscal year end, the Commission prepares a proposed operating budget for the year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. The Commission 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. The budget is then revised and adopted or amended by the Commission shortly after the beginning of the year to which it applies. The budget so adopted may be revised during the year only by formal action of the Commission in a regular meeting and no increase shall be made therein without provision also being made for financing same.

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) inasmuch as encumbrances are not recorded. Budgeted amounts for the year are as originally adopted, with no amendments by the Commission.

The County Manager is delegated to transfer sums within departments. No increases in the departmental budgets for the County may be made without the approval of the Board of Commissioners and amendments to the budget. The General Fund is subject to budgetary control on a departmental basis.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Investments – The Government owns no investments as of September 30, 2012.

Custodial Credit Risk - Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Neither the government, nor the Wilkinson County Development Authority, discretely presented component unit, has a deposit policy for custodial credit risk. The Wilkinson County Public Health Center has a deposit policy. As of September 30, 2012, none of the Government's bank balance was exposed to custodial credit risk.

Additional disclosures with regards to deposits and investments can be located in the *Summary of Significant Accounting Policies* under the *Assets, Liabilities and Equity* section.

B. Property Taxes

State law requires that property taxes be based on assessed value, which is 40% of fair market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and must be declared and reported on a return 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, the Board of Tax Assessors of Wilkinson County makes all assessments.

Upon completion of all assessments and tax returns, the information is turned over to the Wilkinson 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. If not, the Commissioner may require an across the board percentage adjustment to all real property. The County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes must be paid by the birth date of the owner of the vehicle. Property taxes are usually levied on assessed valuation as of January 1 and are due by December 31, and considered delinquent by January 1. Property taxes are attached as an enforceable lien on the day the taxes become delinquent.

The total real and personal property tax levy is recorded as revenue in the fiscal year in which such amounts will be available (collected within 60 days of year-end) as net current assets. In the accompanying financial statements, the portion of the property tax levy for the tax year 2012 collected during the current year and within 60 days of year-end has been recognized as revenue.

Property taxes receivable at September 30, 2012, is composed of the following:

Year of Levy:	
2011	$ 194,213
2010	75,465
2009	31,550
2008	29,087
2007	14,810
Prior to 2007	36,616
Total	381,741
Less - allowance for uncollectible	91,258
Net receivable	$ 290,483

C. Accounts Receivable

Primary Government

Receivables at September 30, 2012 for the County's individual major funds and its non-major and fiduciary funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	SPLOST 2007	Nonmajor Funds	Total
Receivables:				
Taxes	$ 381,741	$ -	$ -	$ 381,741
Accounts	-	-	222,204	222,204
Intergovernmental	100,063	139,183	52,238	291,484
Accrued interest	8,960	104		9,064
Other	120,978	-	-	120,978
Gross receivables	611,742	139,287	274,442	1,025,471
Less: allowance for uncollectibles	(91,258)	-	-	(91,258)
Net total receivables	$ 520,484	$ 139,287	$ 274,442	$ 934,213

Discretely Presented Component Units

Trade receivables from the Wilkinson County Development Authority and Wilkinson County Public Health Center as of September 30, 2012 are as follows:

	Wilkinson County Development Authority	Wilkinson County Public Health Center	Total
Receivables:			
Accounts	$ -	$ 1,668	$ 1,668
Intergovernmental	2,000	-	2,000
Gross receivables	2,000	1,668	3,668
Less - allowance for Uncollectibles	-	-	-
Net total receivables	$ 2,000	$ 1,668	$ 3,668

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Grant drawdowns not yet available	$ -	$ -
Resources received, but not yet earned	$ -	$ -

D. Interfund Receivables, Payables and Transfers

Generally, outstanding balances between funds reported as due to/from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding, and other miscellaneous receivables and payables between funds. Balances to which a fiduciary fund is a party are treated as external receivables and payables. As of September 30, 2012, the composition of interfund balances, were as follows:

	Due From	Due To
Major Funds:		
General Fund	$ 73,620	$ 2,906
Non-major Funds:		
Law Enforcement Confiscation	2,906	-
Family Connection	-	18,555
Emergency 911	-	55,065
	$ 76,526	$ 76,526

E. Capital Assets

Primary Government

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

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated -				
Land	$ 328,857	$ -	$ -	$ 328,857
Total capital assets not being depreciated	328,857	-	-	328,857
Other capital assets:				
Buildings	9,066,113	70,082	-	9,136,195
Vehicles	2,073,145	336,230	(22,699)	2,386,676
Machinery and equipment	2,499,343	325,944	-	2,825,287
Infrastructure	3,924,987	727,051	-	4,652,038
Total other capital assets	17,563,588	1,459,307	(22,699)	19,000,196
Less accumulated depreciation for:				
Buildings	(2,483,198)	(213,660)	-	(2,696,858)
Vehicles	(1,671,957)	(188,112)	22,699	(1,837,370)
Machinery and equipment	(1,844,601)	(173,628)	-	(2,018,229)
Infrastructure	(673,042)	(146,279)	-	(819,321)
Total accumulated depreciation	(6,672,798)	(721,679)	22,699	(7,371,778)
Other capital assets, net	10,890,790	737,628	-	11,628,418
Governmental activities capital assets, net	$ 11,219,647	$ 737,628	$ -	$ 11,957,275

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

Governmental activities:	
General government	$ 129,354
Judicial	8,300
Public safety	249,575
Public works	282,060
Culture and recreation	20,842
Health and welfare	31,548
Total governmental activities depreciation expense	$ 721,679

E. Capital Assets (Continued)

Discretely Presented Component Units

Capital asset activity for the Wilkinson County Development Authority and Wilkinson County Public Health Center for the year ended September 30, 2012 was as follows:

	Discretely Presented Component Units			
	Beginning Balance	Increases	Decreases	Ending Balance
Wilkinson County Development Authority				
Capital assets not being depreciated -				
Land	$ 1,803,676	$ 2,237	$ -	$ 1,805,913
Total capital assets not being depreciated	1,803,676	2,237	-	1,805,913
Other capital asset -				
Equipment	17,290	3,119	-	20,409
Less accumulated depreciation for:				
Equipment	(7,321)	(2,177)	-	(9,498)
Other capital assets:	9,969	942	-	10,911
Capital assets, net	$ 1,813,645	$ 3,179	$ -	$ 1,816,824
Wilkinson County Public Health Center				
Other capital assets -				
Equipment	$ 38,076	$ -	$ -	$ 38,076
Less accumulated depreciation	(38,076)	-	-	(38,076)
Other capital assets, net	-	-	-	-
Capital assets, net	$ -	$ -	$ -	$ -

Interfund Transfers

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs. A reconciliation of operating transfers is as follows:

	Transfers Out	Transfers In
General Fund	$ 153,267	$ -
Emergency 911 Fund	-	153,267
Total interfund transfers	$ 153,267	$ 153,267

F. Due from Other Governments

Amounts due from other governmental entities at September 30, 2012 are as follows:

	Federal	State	Other	Total
General Fund	$ -	$ 88,210	$ 11,853	$ 100,063
2007 SPLOST Fund	-	139,183	-	139,183
Jail Fund	-	-	173	173
Drug Abuse Education	-	-	205	205
Family Connection	-	11,051	-	11,051
Balls Ferry	-	40,809	-	40,809
Total	$ -	$ 279,253	$ 12,231	$ 291,484

G. Long - Term Debt

Primary Government Bonds Payable

The Government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the Government. These bonds generally are issued as 5-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	Total	Current	Long-Term
$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.	$ 1,440,000	$ 705,000	$ 735,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending September 30	Principal
2013	$ 705,000
2014	735,000
	$ 1,440,000

G. Long - Term Debt (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2012 was as follows:

Long-term liabilities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Governmental Activities						
General obligation bonds 2007	$ 2,120,000	$ -	$ 680,000	$ 1,440,000	$ 705,000	$ 735,000
OPEB obligation	85,764	7,336	-	93,100	7,336	85,764
Pension obligation	21,382	3,757	-	25,139	25,139	-
Compensated absences payable	49,558	93,697	99,140	44,115	44,115	-
Total Governmental Activities	$ 2,276,704	$ 104,790	$ 779,140	$ 1,602,354	$ 781,590	$ 820,764

Compensated absences are generally liquidated by the general fund and are therefore included in the above schedule.

Component Unit - Wilkinson County Board of Health

Long-term Debt - The following is a summary of long-term debt at September 30, 2012

	Total	Current	Long-Term
Compensated absences payable	$ 25,490	$ 2,549	$ 22,941

Component Unit - Wilkinson County Development Authority

Long-term Debt - The following is a summary of long-term debt at September 30, 2012

	Total	Current	Long-Term
$142,500 note payable to Wilkinson County Bank for purchase of land, interest at 4.0%, interest due monthly, principal balance due in full September 19, 2012	$ 142,500	$ 142,500	$ -

IV. OTHER INFORMATION

A. *DEFINED BENEFIT PENSION PLAN*

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

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

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

3. ***Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund*** - The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

4. ***Defined Benefit Pension Plan***

a. Plan Description

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The County's payroll for employees participating in the Plan as of January 1, 2012, (the most recent actuarial valuation date) was $1,838,027 (based on W-2 earnings for the preceding year). All full-time County employees are eligible to participate in the Plan at their date of hire. Benefits are fully vested after five years of service Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 0.50% of average compensation up to $6,600 plus 1.00% of average annual compensation in excess of $6,600 plus $36.00 for each year of credited service payable as a life annuity. Service is limited to 35 years. Compensation is averaged over a five-year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

Plan membership consisted of the following at January 1, 2012, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	21
Terminated plan members entitled to but not yet receiving benefits	29
Active employees participating in the Plan	62
Total	112

***b. Summary* of Significant Accounting Policies**

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

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

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

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

c. Contributions

In order to participate in the Plan, County employees are required to contribute 2% of their salary to the Plan. The County contributes the remaining cost of the Plan, using the actuarial basis described in the annual valuation report. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans. Administrative expenses are based on total covered payroll of plan members and are added to the annual funding requirement.

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 employer and its plan members.

d. Annual Pension Cost, Net Pension Obligation, and Reserves

Current year annual pension costs for the Plan are shown in the trend information provided below. Annual required contributions were made to the Plan.

Derivation of Annual Pension Cost:

Annual Required Contribution	$ 299,588
Interest on Net Pension Obligation	1,948
Amortization of Net Pension Obligation	(2,085)
Annual Pension Cost	$ 299,451

Derivation of Net Pension Obligation:

Annual pension cost for prior year	$ 279,128
Contributions made for prior year	275,371
Increase (decrease) in net pension obligation	3,757
Net pension obligation, beginning of prior year	21,382
Net pension obligation, beginning of year	$ 25,139

There are no assets legally reserved for purposes other than the payment of plan member benefits for either plan. There are no long-term contracts for contributions.

e. Trend Information

Fiscal Year	Annual Pension Cost	Actual County Contribution	Percentage Contributed	Net Pension Obligation (NPO)
2009	$ 219,312	$ 138,444	63%	$ (61,215)
2010	230,868	229,139	99%	19,653
2011	279,128	275,371	99%	21,382
2012	299,451	N/A	N/A	25,139

f. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) b-a	Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
2011	$ 3,134,039	*	$ 4,138,818	75.7%	$ 1,004,779	$ 1,593,245	63.1%

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

The following are the actuarial assumptions used in the plan:

Valuation date	January 1, 2012
Actuarial cost method	Projected Unit Credit
Asset valuation method	Market Value
Amortization method	Level Percent of Pay (Closed)
Remaining amortization period*	10 years
Actuarial assumptions*:	
Investment rate of return	7.75% per annum
Projected salary increases	5.0% - 7.5% per annum
Inflation adjustments	3% per annum
Post-retirement benefit increases	None

* Represents the estimated authorization period for all unfunded liabilities combined into one amortization base

B. *POST – EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)*

In addition to the pension benefits described above, 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 provision of the OPEB plan rests with the County. The plan does not issue separate financial statements.

As of January 1, 2012, employee membership data relative to the OPEB plan consist of the following:

Retirees and beneficiaries currently receiving benefits	1
Active employees participating in the Plan	60
Total	61

Summary of Significant Accounting Policies

The accrual basis of accounting is used with respect to the recognitionin 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, 2012, 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, 2012, the County paid premiums (net of retiree contributions) on behalf of current retired employees in the amount of $16,498.

Annual OPEB Cost and Net OPEB Obligation

The County's actuarial valuation was performed on the plan as of January 1, 2012 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 costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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:

Derivation of Annual OPEB Cost:

Annual Required Contribution	$ 23,680
Interest on OPEB Obligation	3,431
Amortization of OPEB Obligation	(3,277)
Annual OPEB Cost	$ 23,834

Derivation of Net OPEB Obligation:

Annual OPEB cost for year	$ 23,834
Contributions made for year	16,498
Increase (decrease) in net OPEB obligation	7,336
Net OPEB obligation, beginning of prior year	85,764
Net OPEB obligation, beginning of year	$ 93,100

The County's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for 2012 is as follows:

Fiscal Year	OPEB Cost	Percentage of AOC Contributed	OPEB Obligation
2009	$ 36,293	32%	$ 24,561
2010	36,293	14%	55,919
2011	36,293	18%	85,764
2012	23,834	69%	93,100

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) b-a	Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
2012	$ -	$ 208,265	0.0%	$ 208,265	$ 1,816,941	11.5%

AAL is 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 of r 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, 2012.

Actuarial calculations reflect a long-term perspective.

Additional information as of the latest actuarial valuation is as follows:

Valuation date	January 1, 2012
Actuarial cost method	Projected Unit Credit
Asset valuation method	Market Value
Amortization method	Level Percent of Pay (Open)
Remaining amortization period*	30 years
Actuarial assumptions*:	
Investment rate of return	4.0%
Medical cost trend rate	9.5% - 5.0%
Inflation adjustments	3%
Year of ultimate trend rate	2018

C. ***RISK MANAGEMENT - CLAIMS AND JUDGEMENTS***

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County joined the Association Interlocal Risk Management Agency on September 28, 1991. This membership allows the County to share liability, crime, motor vehicle and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Interlocal Risk Management Agency (IRMA) is a municipal interlocal risk management agency organized to function as an unincorporated nonprofit instrumentality of its member municipalities - IRMA establishes and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. IRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of IRMA against liability or loss.

The County must participate at all times in at least one fund which is established by IRMA. Other responsibilities of the County are as follows:

- To pay all contributions, assessments, or other sums due to IRMA at such times and in such amounts as shall be established by IRMA.
- To select a person to serve as a Member representative.
- To allow IRMA and its agents reasonable access to all facilities of the County and all records, including but not limited to financial records, which relate to the purposes of IRMA.
- To allow attorneys appointed by IRMA to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the Fund or Funds established by IRMA.
- To assist and cooperate in the defense and settlement of claims against the County.
- To furnish full cooperation to IRMA's attorneys, claim adjusters, Service Company and any agent, employee, officer or independent contractor of IRMA relating to the purposes of IRMA.
- To follow all loss reduction and prevention procedures established by IRMA.
- To furnish to IRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the County participates.

The County retains the first $2,500 of each risk of loss in the form of a deductible. The County files all claims with IRMA. IRMA bills the County for any risk of loss up to the $2,500 deductible.

The basis for estimating the liabilities for unpaid claims is the "IBNR" established by an actuary.

Pursuant to Title 34, Chapter 9, Article 150 of the Official Code of Georgia Annotated, the County became a member of the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund. The County is obligated to pay all contributions and assessments as prescribed by the fund, to cooperate with the fund's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The County is also to allow the fund's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the fund.

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

D. *JOINT VENTURE*

Under Georgia law, Wilkinson County, in conjunction with other cities and counties in the middle Georgia area, is a member of the Middle Georgia Regional Commission and is required to pay annual dues thereto. Membership in a Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia. The Commission 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 a Commission.

Separate financial statements may be obtained from:

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

E. *COMMITMENTS*

Reservations of fund balances of Governmental funds are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Designations of fund balance represent tentative management plans that are subject to change.

F. Contingent Liabilities

Grant Funds

The County participates in numerous grant programs on the federal and state level. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Government expects such amounts, if any, to be immaterial.

Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County's legal counsel reports no cases pending against the County. Based upon the information available, management does not expect potential liabilities as of September 30, 2012 to impair the County's financial position.

G. Restatement of Prior Year Net Assets

During the fiscal year ended September 30, 2012, the Governmental Activities' prior year net assets of the County were restated to correct the beginning balance as of September 30, 2011. A reconciliation of the restatement of prior year net assets is as follows:

Net Assets, as previously reported at September 30, 2011	$	18,086,093
Restatement of net pension obligation		279,128
Net Assets, beginning, as restated	$	18,365,221

H. Subsequent Events

The County performed an evaluation of subsequent events through March 27, 2013, the date upon which the County's financial statements were available for issue. The County has not evaluated subsequent events after this date. No subsequent events were identified that would have required a change to the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

WILKINSON COUNTY, GEORGIA

EXHIBIT 9

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - PENSION
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) b-a	Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
2007	$ 2,450,368		$ 3,084,762	79.4%	$ 634,394	$ 1,118,484	56.7%
2008	2,478,742	*	3,123,891	79.3%	645,149	1,219,465	52.9%
2009	2,683,320	*	3,403,613	78.8%	720,293	1,315,201	54.8%
2010	2,906,482	*	3,663,460	79.3%	756,978	1,433,342	52.8%
2011	3,134,039	*	4,138,818	75.7%	1,004,779	1,593,245	63.1%

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

WILKINSON COUNTY, GEORGIA

EXHIBIT 10

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - OPEB
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) b-a	Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
2009	$ -	$ 302,055	0.0%	$ 302,055	$ 1,879,705	16.1%
2012	-	208,265	0.0%	208,265	1,816,941	11.5%

Non-major Governmental Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

- ***Emergency 911*** accounts for surcharges collected on all local phone service which is specifically designated to fund the County's E911 system.
- ***Law Library*** accounts for the law library fees included in all fines which are specifically designated for the County's law library.
- ***Family Connection*** accounts for the grant funds and related expenditures for children and their families to improve school performance.
- ***Law Enforcement Confiscation*** accounts for funds confiscated from criminal activity and their expenditures in compliance with State and Federal laws.
- ***Drug Abuse Education*** accounts for drug training fees collected on all drug related charges which are specifically designated for drug training expenditures or capital outlay.
- ***Jail*** accounts for fines collected as required by State law for jail operations and construction.

Capital Project Funds are used to account for and report financial revenues 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 2003*** accounts for capital expenditures paid with the special purpose local option sales tax.
- ***Balls Ferry*** accounts for grant funds and related expenditures for the development of the Balls Ferry State Park.

WILKINSON COUNTY, GEORGIA

EXHIBIT 11

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Special Revenue						Capital Projects		Total
	Emergency 911 Fund	Law Library	Family Connection	Law Enforcement Confiscation	Drug Abuse Education	Jail	Special Purpose Local Option Sales Tax 2003	Balls Ferry	Nonmajor Governmental Funds
ASSETS									
Cash and cash equivalents	$ 43,109	$ 15,806	$ 8,347	$ 11,420	$ 72,921	$ 31,753	$ 25,398	$ -	$ 208,754
Accounts receivable	17,791	-	-	-	-	-	-	204,413	222,204
Intergovernmental receivable	-	-	11,051	-	205	173	-	40,809	52,238
Due from other funds	-	-	-	2,906	-	-	-	-	2,906
Total Assets	$ 60,900	$ 15,806	$ 19,398	$ 14,326	$ 73,126	$ 31,926	$ 25,398	$ 245,222	$ 486,102
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable	$ -	$ 1,332	$ -	$ -	$ -	$ -	$ -	$ 46,805	$ 48,137
Accrued payroll	5,835	-	-	-	-	-	-	-	5,835
Due to other funds	55,065	-	18,555	-	-	-	-	-	73,620
Total liabilities	60,900	1,332	18,555	-	-	-	-	46,805	127,592
Fund Balance-									
Restricted	-	14,474	843	14,326	73,126	31,926	25,398	198,417	358,510
Total Liabilities and Fund Balance	$ 60,900	$ 15,806	$ 19,398	$ 14,326	$ 73,126	$ 31,926	$ 25,398	$ 245,222	$ 486,102

WILKINSON COUNTY, GEORGIA

EXHIBIT 12

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue						Capital Projects		Total
	Emergency 911 Fund	Law Library	Family Connection	Law Enforcement Confiscation	Drug Abuse Education	Jail	Special Purpose Local Option Sales Tax 2003	Balls Ferry	Nonmajor Governmental Funds
Revenues:									
Charges for services	$ 51,263	$ 6,813	$ -	$ -	$ -	$ -	$ -	$ -	$ 58,076
Fines and forfeitures	-	-	-	5,557	10,097	14,161	-	-	29,815
Intergovernmental revenue	-	-	44,179	-	-	-	-	131,924	176,103
Interest income	59	-	-	34	209	105	83	-	490
Other income	-	-	1,000	-	-	-	-	-	1,000
Total revenues	51,322	6,813	45,179	5,591	10,306	14,266	83	131,924	265,484
Expenditures:									
Current:									
Public Safety	204,589	-	-	12,988	3,852	-	-	-	221,429
Judicial	-	9,186	-		-	5,733	-	-	14,919
Health and welfare	-	-	45,265	-	-	-	-	-	45,265
Culture and recreation	-	-	-	-	-	-	-	163,484	163,484
Intergovernmental	-	-	-	-	-	-	18,066	-	18,066
Capital outlay	-	-	-	-	-	7,704	-	-	7,704
Total expenditures	204,589	9,186	45,265	12,988	3,852	13,437	18,066	163,484	470,867
Excess (Deficiency) of Revenues Over (Under) Expenditures	(153,267)	(2,373)	(86)	(7,397)	6,454	829	(17,983)	(31,560)	(205,383)
Other Financing Source -									
Transfers in	153,267	-	-	-	-	-	-	-	153,267
Excess (Deficiency) of Revenues and Other Financing Source Over (Under) Expenditures	-	(2,373)	(86)	(7,397)	6,454	829	(17,983)	(31,560)	(52,116)
Fund Balance, Beginning	-	16,847	929	21,723	66,672	31,097	43,381	229,977	410,626
Fund Balance, Ending	$ -	$ 14,474	$ 843	$ 14,326	$ 73,126	$ 31,926	$ 25,398	$ 198,417	$ 358,510

WILKINSON COUNTY, GEORGIA

EXHIBIT 13

BUDGETARY COMPARISON – EMERGENCY 911 FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts
Revenues:			
Charges for services	$ -	$ 50,000	$ 51,263
Interest income	-	-	59
Total revenues	-	50,000	51,322
Expenditure -			
Current -			
Public safety	199,272	205,000	204,589
Deficiency of Revenue Under Expenditures	(199,272)	(155,000)	(153,267)
Other Financing Source -			
Transfers in	199,272	155,000	153,267
Excess of Revenue and Other Financing Source Over Expenditures	-	-	-
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	$ -	$ -	$ -

WILKINSON COUNTY, GEORGIA

EXHIBIT 14

BUDGETARY COMPARISON – LAW LIBRARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts
Revenue -			
Charges for services	$ -	$ 10,000	$ 6,813
Total revenues	-	10,000	6,813
Expenditure -			
Current -			
Judicial	-	10,000	9,186
Deficiency of Revenue Under Expenditure	-	-	(2,373)
Fund Balance, Beginning	16,847	16,847	16,847
Fund Balance, Ending	$ 16,847	$ 16,847	$ 14,474

BUDGETARY COMPARISON – FAMILY CONNECTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts
Revenues:			
Intergovernmental	$ -	$ 45,000	$ 44,179
Other income	-	1,000	1,000
Total revenues	-	46,000	45,179
Expenditure -			
Current -			
Health and welfare	-	46,000	45,265
Deficiency of Revenues Under Expenditure	-	-	(86)
Fund Balance, Beginning	929	929	929
Fund Balance, Ending	$ 929	$ 929	$ 843

WILKINSON COUNTY, GEORGIA

EXHIBIT 16

BUDGETARY COMPARISON – LAW ENFORCEMENT CONFISCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts
Revenues:			
Fines and forfeitures	$ -	$ 15,000	$ 5,557
Interest income	-	-	34
Total revenues	-	15,000	5,591
Expenditure -			
Current -			
Public safety	-	15,000	12,988
Deficiency of Revenues Under Expenditure	-	-	(7,397)
Fund Balance, Beginning	21,723	21,723	21,723
Fund Balance, Ending	$ 21,723	$ 21,723	$ 14,326

WILKINSON COUNTY, GEORGIA

EXHIBIT 17

BUDGETARY COMPARISON – DRUG ABUSE EDUCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts
Revenues:			
Fines and forfeitures	$ -	$ 5,000	$ 10,097
Interest income	-	-	209
Total revenues	-	5,000	10,306
Expenditure -			
Public safety	-	5,000	3,852
Excess of Revenue Over Expenditures	-	-	6,454
Fund Balance, Beginning	66,672	66,672	66,672
Fund Balance, Ending	$ 66,672	$ 66,672	$ 73,126

WILKINSON COUNTY, GEORGIA

EXHIBIT 18

BUDGETARY COMPARISON – JAIL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts
Revenues:			
Fines and forfeitures	$ -	$ 15,000	$ 14,161
Interest income	-	-	105
Total revenues	-	15,000	14,266
Expenditure -			
Current -			
Pubic safety	-	6,000	5,733
Capital outlay	-	9,000	7,704
Total expenditures	-	15,000	13,437
Excess of Revenue Over Expenditures	-	-	829
Fund Balance, Beginning	31,097	31,097	31,097
Fund Balance, Ending	$ 31,097	$ 31,097	$ 31,926

Agency Funds

WILKINSON COUNTY, GEORGIA

EXHIBIT 19

AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Superior Court	Sheriff's Office	Magistrate Court	Probate Court	Juvenile Court	Tax Commissioner's Office	Total Agency Funds
Asset - Cash	$ 1,301,755	$ 12,333	$ 1,657	$ -	$ 23	$ 252,577	$ 1,568,345
Liability -							
Other liabilities	$ 1,301,755	$ 12,333	$ 1,657	$ -	$ 23	$ 252,577	$ 1,568,345

Other Reports

THIGPEN, JONES, SEATON & CO. PC
CERTIFIED PUBLIC ACCOUNTANTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Commissioners of
Wilkinson County, Georgia

We were engage 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 year ended September 30, 2012, which collectively comprise Wilkinson County, Georgia's basic financial statements and have issued our report thereon dated March 27, 2013. 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, 2012. We did not audit the financial statements of the Wilkinson County Public Health Center and the Wilkinson County Development Authority, which represents 100% and 100%, respectively, of the assets and revenues of the Component Unit column. Those financial statements were audited by other auditors whose reports thereon has been furnished to us, and our opinion on those financial statements, insofar as it relates to the amounts included for Wilkinson County, Georgia, was based solely 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wilkinson County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County'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 accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described the accompanying schedule of findings and responses to be significant deficiencies.

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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We noted certain other matters that we reported to management of Wilkinson County, Georgia in a separate letter dated March 27, 2013.

Wilkinson County, Georgia's response to the findings identified in our audit is 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 the audit committee, management, the Wilkinson County Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rhiggs, Jones, Seabs + Co., P.C.

March 27, 2013
Dublin, Georgia

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS:

2012-1 Segregation of Duties

Condition: Due to the limited number of personnel, overlapping of duties exists in the County's operations primarily in the areas of cash receipts and disbursements.

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

Effect: This overlapping of duties presents situations where unauthorized use of assets could occur and not be detected within a timely period.

Recommendation: The duties of recording, processing and reconciliation of cash accounts should be segregated between employees.

Response: We concur with the recommendation. Each elected official is working with the Wilkinson County Board of Commissioners to evaluate and determine the most efficient and effective solution to properly segregate duties between recording, processing and reconciliation of cash accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

SIGNIFICANT DEFICIENCIES:

2012-2 Account and Transaction Reporting

Condition: Certain audit adjustments were required to fairly state the balances on general ledger accounts at the end of the accounting period.

Criteria: Accounts should be properly adjusted and reconciled to ensure that the financial statements are presented fairly at the end of the accounting period.

Effect: Failure to properly record transactions and reconcile accounts could cause the financial statements to not be fairly stated at the end of the accounting period.

Recommendation: Management should establish policies and procedures to assist the County in fairly stating the balances of accounts at the end of the accounting period.

Response: We concur with the recommendation. We will review procedures in place to ensure that account balances are fairly stated at the end of the accounting period.

2012-3 Controls Over Financial Statement Presentation

Condition: County personnel do not currently possess the professional skills necessary to prepare or review the financial statements in sufficient detail to detect material misstatements in the financial statements and related footnotes.

Criteria: County personnel should possess professional skills sufficient to be able to perform an adequate review of the County's financial statements in order to determine that the statements are materially correct.

Effect: The deficiency identified above could result in a material misstatement to the County's financial statements that would not be prevented or detected on a timely basis.

Recommendation: The County should consider additional training that would provide accounting personnel with the skills to detect and correct misstatements in the financial statements.

Response: We concur with the recommendation and will evaluate the cost effectiveness of implementing the control and act accordingly.

Schedule of Prior Audit Findings

2011-1 Tax Commissioner Office – Fiscal Management of Office

Condition: Internal control breakdowns occurred in the management of the Tax Commissioners office during the reporting period for FY 2011. Audit and investigative procedures identified:

- Failures to deposit taxes collected in a timely manner.
- Failures 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 taxpayers.
- 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.

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

Current Status: The former Tax Commissioner resigned his office on July 31, 2012 as 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 new Tax Commissioner continues to establish additional internal controls and accounting procedures to address the breakdowns identified above.

2011-2 Tax Commissioner Office – Collection and Disbursement of Timber Tax

Condition: Audit and investigative procedures identified two payments from a company that could not be traced to 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.

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.

Current Status: The former Tax Commissioner resigned his office on July 31, 2012 as 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 new Tax Commissioner continues to establish additional internal controls and accounting procedures to address the breakdowns identified above.

Other Information

WILKINSON COUNTY, GEORGIA

EXHIBIT 20

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
YEAR ENDED SEPTEMBER 30, 2012

Project Description Per SPLOST Referendum	Original Estimated Costs	Expenditures		
		Prior Years (restated)	Current Year	Total
Sales Tax (2003):				
Recreation facilities	$ 400,000	$ 366,103	$ 18,066	$ 384,169
Public safety - equipment	400,000	434,598	-	434,598
Public safety - vehicles	-	59,669	-	59,669
Public works	N/A	2,490,453	-	2,490,453
Courthouse/extension	4,000,000	4,010,466	-	4,010,466
Furniture and equipment	N/A	365,819	-	365,819
New cell development	N/A	245,077	-	245,077
Architectural and engineering	N/A	26,406	-	26,406
Bond issuance costs	N/A	81,467	-	81,467
Debt service	N/A	4,505,839	-	4,505,839
City of Toomsboro	N/A	37,749	-	37,749
	$ 4,800,000	$ 12,623,646	$ 18,066	$ 12,641,712
Sales Tax (2007):				
Debt service	$ -	$ 2,429,751	$ 763,200	$ 3,192,951
Roads, streets and bridges	1,665,000	193,215	916,332	1,109,547
Public safety - equipment	2,400,000	225,572	374,631	600,203
Public safety - vehicles	-	466,467	196,305	662,772
Economic development	750,000	833,010	-	833,010
Recreation	325,000	-	-	-
Public buildings	2,000,000	297,905	70,082	367,987
Solid waste	60,000	-	18,746	18,746
City of Allentown	242,877	116,082	34,840	150,922
City of Danville	174,330	82,614	24,994	107,608
City of Gordon	1,950,000	902,188	261,233	1,163,421
City of Irwinton	496,756	237,464	71,264	308,728
Town of Ivey	930,889	446,998	133,508	580,506
City of McIntyre	607,616	290,516	87,169	377,685
City of Toomsboro	526,375	251,344	75,533	326,877
	$ 12,128,843	$ 6,773,126	$ 3,027,837	$ 9,800,963