



**Barrow County, Georgia
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2011





BARROW COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Prepared by: DEPARTMENT OF FINANCE
Rose Kisaalita, CPA
Chief Financial Officer



**BARROW COUNTY, GEORGIA
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TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	1-5
Principal Officials.....	6
Organizational Chart.....	7
FINANCIAL SECTION	
Independent Auditor's Report.....	8-9
Management Discussion and Analysis.....	10-20
Basic Financial Statements:	21
Government-Wide Financial Statements:	
Statement of Net Assets.....	22
Statement of Activities.....	23
Fund Financial Statements:	
Balance Sheet- Governmental Funds.....	24
Reconciliation of Balance Sheet- Governmental Funds.....	25
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds.....	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget to Actual- General Fund.....	28-31
Statement of Net Assets- Proprietary Funds.....	32
Statement of Revenues, Expenditures, and Changes in Net Assets- Proprietary Funds.....	33
Statement of Cash Flows- Proprietary Funds.....	34
Balance Sheet - Agency Funds.....	35
Notes to Basic Financial Statements:.....	36-68
Required Supplementary Information	
Schedule of Funding Progress- Pension.....	69
Schedule of Funding Progress- OPEB.....	69

**BARROW COUNTY, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

TABLE OF CONTENTS

	<u>Page</u>
Combining Statements and Schedules	
Special Revenue Funds.....	70
Combining Balance Sheet- Nonmajor Governmental Funds.....	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances- Non-Major Governmental Funds.....	72
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual Non-Major Governmental Funds:	
Emergency 911.....	73
Confiscated Assets.....	74
Law Library.....	75
Inmate Commissary.....	76
Revolving Loan.....	77
Multiple Grant.....	78
Combining Statements and Schedules	
Agency Funds.....	79
Combining Balance Sheet- Agency Funds.....	80
Combining Statement of Changes in Assets and Liabilities Agency Funds.....	81-82
Combining Statements and Schedules	
Nonmajor Component Units.....	83
Combining Statement of Net Assets- Nonmajor Governmental Component Units.....	84
Combining Statement of Activities - Nonmajor Governmental Component Units.....	85
Combining Statement of Net Assets- Nonmajor Proprietary Component Units.....	86
Combining Statement of Activities - Nonmajor Proprietary Component Units.....	87
Combining Statement of Cash Flows - Nonmajor Proprietary Component Units.....	88
Capital Projects Special Purpose Local Option Sales Tax Funds.....	89
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds 2001 Issue.....	90
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds 2005 Issue.....	91

**BARROW COUNTY, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

TABLE OF CONTENTS

Page

STATISTICAL SECTION

Statistical Section.....	92	
Statistical Section - Table of Contents.....	93	
Schedule 1 Net Assets by Component- Last Nine Fiscal Years.....	94	
Schedule 2 Changes in Net Assets- Last Nine Fiscal Years.....	95-96	
Schedule 3 Fund Balances, Governmental Funds- Last Nine Fiscal Years.....	97	
Schedule 4 Changes in Fund Balances, Governmental Funds- Last Nine Fiscal Years.....	98	
Schedule 5 Assessed Value and Actual Value of Taxable Property- Last Ten Calendar Years.....	99	
Schedule 6 Direct and Overlapping Property Tax Rates- Last Ten Calendar Years.....	100	
Schedule 7 Principal Property Taxpayers- Current and Last Nine Years.....	101	
Schedule 8 Property Tax Levies and Collections- Last Ten Calendar Years.....	102	
Schedule 9 Sales Tax Collections.....	103	
Schedule 10 Ratios of Outstanding Debt by Type- Last Ten Fiscal Years.....	104	
Schedule 11 Ratio of General Bonded Debt Outstanding- Last Ten Calendar Years.....	105	
Schedule 12 Direct and Overlapping Governmental Activities Debt.....	106	
Schedule 13 Legal Debt Margin Information- Last Ten Fiscal Years.....	107	
Schedule 14 Pledged Revenue Bond Coverage- Last Ten Fiscal Years.....	108	
Schedule 15 Demographic and Economic Statistics- Last Ten Calendar Years.....	109	
Schedule 16 Principal Employers- Current Year and Last Nine Years Ago.....	110	
Schedule 17 Full-time Government Employees by Function- Last Ten Fiscal Years.....	111	
Schedule 18 Operating Indicators by Function/Department- Last Nine Fiscal Years.....	112	
Schedule 19 Capital Asset Statistics by Function/Department- Last Nine Fiscal Years.....	113	



Introductory Section

- Letter of Transmittal
- Principal Officials
- Organization Chart



Barrow County Board of Commissioners

233 East Broad Street, Winder, Georgia 30680

April 2, 2012

Citizens of Barrow County
and the Board of Commissioners
Barrow County, Georgia

The Comprehensive Annual Financial Report of Barrow County, Georgia (the "County") for the fiscal year ended September 30, 2011, is submitted in accordance with the Official Code of Georgia 36-81-7. Responsibility for the accuracy, completeness and fairness of the presented data, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects. This form of presentation is designed to facilitate a better understanding of the financial operations of Barrow County. In developing and refining the County's accounting system, consideration is given to the adequacy of internal accounting controls. We have achieved the goals of sound internal accounting controls through a combination of written procedures, implementation of working checks and balances, sound information systems, periodic reviews of systems and results, and special reviews of new and emerging issues.

The County has prepared the financial statements to meet the current applicable requirements of the Governmental Accounting Standards Board (GASB). The basic financial statements in this report have been audited by Mauldin & Jenkins, LLC. Based on their audit, Mauldin & Jenkins, LLC have concluded that there is a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2011, and are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first part of the Financial Section of this report.

The Comprehensive Annual Financial Report (CAFR) has three main sections: (1) Introduction – this include the transmittal letter, principal officials, and the organization chart. The letter of transmittal is designed to complement the management's discussion and analysis (MD&A) and should be read in conjunction with the audit; (2) Financial – this contains the independent auditor's report, MD&A, the basic financial statements with notes, individual and combining statements and schedules for individual funds, and the required supplementary information. The MD&A should be read in conjunction with this letter of transmittal and the financial statements; and (3) Statistical – this includes selected financial and demographic information presented mostly in multi-year form.

BARROW COUNTY GOVERNMENT

Barrow County was created in 1914 out of portions of Gwinnett, Jackson, and Walton counties and is located in the northeast portion of the State of Georgia. Barrow County ranks 148th in size and claims 162.2 square miles within its boundaries. Barrow County has six municipalities contained within its borders. The City of Auburn and the Town of Carl are located on the western end; the Town of Bethlehem is located on the southern end; the City of Statham is located on the eastern end; the City of Winder is located in the center of the County; and the Town of Braselton is located on the northwest side of the County.

The governing authority of the County is composed of six district commissioners and a Chairperson. According to the County's charter, the Chairperson is elected by the qualified electors of the entire County. The Chairperson is the Chief Executive Officer of the County, with authority and responsibility to implement the actions of the Board and generally to supervise, direct, control, and provide for the administration of the affairs of the County. The Chairperson and Commissioners, elected on a staggered basis, serve four-year terms. Additional information about current activities of the County can be obtained at our web site, www.barrowga.org.

As required by generally accepted accounting principles, this report includes all the funds of Barrow County (the primary government) and its component units. Component units are legally separate entities for which the primary government is financially accountable. The County reports the following entities as discretely presented component units: Board of Health, Industrial Building Authority, Joint Development Authority, Water and Sewage Authority, and the Airport Authority. Additional information about the County as a reporting entity is provided in the Notes to the Financial Statements.

THE BUDGET PROCESS

In accordance with State Law, Barrow County adopts an Annual Operating and Capital Budget consistent with generally accepted accounting principles. The budget process establishes a foundation which assists management in carrying out the daily operations of the County's various services that it provides. The budget is developed on a line item basis with the focus on the cost of services. The County's budget is adopted by the Board of Commissioners after a required public hearing and two public notices. The legal level of budgetary control is at the departmental level. The departments are permitted to transfer appropriations within the department. Budgetary amendments require the approval of the Board of Commissioners. Budgetary control is maintained using an encumbrance system and through management's monthly financial statement review and analysis.

BARROW COUNTY'S ECONOMIC CONDITION AND OUTLOOK

From the results of the 2010 national census, Barrow County's population was recorded at 69,367 people. This is a 50.33% increase from the previous 2000 census, which reported 46,144 people. In 2010, Barrow County's per capita income was \$25,134. The County's per capita income has grown from \$24,291 in 2000 a 3.47% increase in 2010. The area's three largest industries and employers are the Barrow County School System, which employs more than 2,000, Harrison Poultry is second with 945 employees, and Chico's FAS Inc. is third with approximately 630 employees.

Funding for the operations of the County comes from the following primary sources: taxes, licenses and permits, fines and forfeitures, and charges for services. During fiscal year 2011, all the primary funding sources have increased. The County has continued working diligently to reduce expenditures.

Barrow County is located within Georgia's Innovation Crescent region which is an association of more than 12 counties and entities that are a focused on life sciences and economic development in the area. The region starts in Atlanta, home to the nation's busiest airport, and ends in Athens-Clarke, home of the University of Georgia. There are 12 Fortune 500 companies and 26 Fortune 1000 companies headquartered in the region. The Innovation Crescent offers a certified workforce for the highly regulated life science clinical, research and manufacturing facilities. More than 250 life science companies call the Innovation Crescent Region home.

Barrow Crossings, a new retail center along highway 316, is attracting shoppers from surrounding counties, while also keeping Barrow County shoppers at home. Big box anchors include Belk, Target, Publix, Staples, and Pet Smart. New additions to this list include Home Depot and Chick-fil-A which opened in April, 2010.

Barrow County also received a Georgia Ready Accelerated Development (GRAD) site designation. GRAD sites are a pool of pre-qualified, available industrial sites across the state, which are highly favored by incoming industry. This 104 +/- is one of eight in the State. Communities that offer these sites have the most favorable chance of attracting new industry to the area. Barrow's GRAD site is located within the highly sought after Innovation Crescent Region.

Several companies have relocated or expanded their business in the County in fiscal year 2011. Price Industries Inc., a company that deals with plumbing, heating and HVAC is a new industry in the County. It is estimated to create more than seventy five new jobs. Chico's, a company that specializes in fashionable women's clothing and accessories expanded its business in the County with an investment of more than twenty four million dollars. Progressive Container Company is a diversified full service packaging company. Its investment in estimated at about \$1.8 million.

Trends in the local economy indicate that Barrow County's business outlook remains stable. The building sector has been hit hardest by the downturn in the economy over the past couple of years, which in turn has significantly slowed the number of building permits issued in recent years. Barrow County's foreclosures totaled about 1,367 during fiscal year 2011. The Government's property tax digest decreased by 17.5% for the 2010 property tax year reflecting \$402 million less in taxable property. Barrow County's unemployment level is currently 9.8%, while the national unemployment rate is presently at 8.3%, as of February 2012.

LONG TERM FINANCIAL PLANNING

Barrow County citizens voted to extend the current SPLOST for another six years beginning June 1, 2006, to fund an additional \$92 million of capital improvements. The newest SPLOST program, SPLOST 2005, has so far funded the following projects: a new criminal justice facility, a new E-911 center, a new fire station, a new training center, a new animal control facility, and renovations to the old historic court house.

The Roads and Bridges Department had three major projects in fiscal year 2011. The first was the completion of a turning lane at Highway 211 providing a safer left turn when accessing Barrow Park Drive. This project is part of a larger project called Ed Hogan and Cedar Creek. Hoyt King and Highway 81 is the second project that had been started in fiscal year 2011 with its projected completion date to be during fiscal year 2012. The County will receive partial reimbursement from Georgia Department of Transportation for the work at Hoyt King & Hwy 81. The final project, LMG Road Patching, consisted of several County roads being patched during fiscal year 2011 at approximately \$420,000.

The County is remodeling the County's Historic Courthouse and Courthouse Annex. What was previously a detention facility in the Courthouse, it is being converted to a new Barrow County Health Department facility. Remodeling the Courthouse and Courthouse annex will cost approximately \$4.25 million. The Health Department renovations will cost approximately \$1 million. Selected repairs were done in fiscal year 2010, with the bulk of the project completed during fiscal years 2011 and 2012. This project has an anticipated completion date during fiscal year 2013.

The Wastewater Services Department completed Phase II of the Hwy 53/316 sewer project during fiscal year 2011. The Auburn/Winder sewer project and the Bank Head Highway gravity sewer project are still ongoing.

The Water Department purchased the Fire Station located at 625 Hwy 211 N.E., and is under contract with Carter Watkins and Associates Architects for design services in remodeling of the Water Department facility.

CASH MANAGEMENT IN FISCAL YEAR 2011

The County currently invests substantially most of its temporarily idle cash, in the State's local government investment pool, Georgia Fund 1.

RISK MANAGEMENT

The County is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County's liability insurance is with Traveler's. The County participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool'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 Funds' being required to pay any claim of loss. The County is also obligated to allow the pool'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 funds.

REGIONAL DEVELOPMENT CENTER

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

The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA Section 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. The County contributes to the Association County Commissioners of Georgia ("ACCG") Defined Benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

PENSION PLAN

The specific benefit provisions of the County's plan ("the Plan") were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The ACCG Plan, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document.

OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to providing pension benefits, the County provides funding for continued healthcare benefits to retired employees. The retired employees may become eligible for this benefit upon reaching the minimum age of 55 and having at least 10 years of service. Continued healthcare benefits in the form of single coverage will be paid at 50 percent of the premium. This benefit is limited to a period until the employee becomes Medicare eligible or reaches age 65 whichever comes first. The County has the authority to amend or terminate this benefit.

GASB 54

The County implemented GASB 54 during fiscal year 2011 which established new classifications for the components of fund balance in governmental funds. At the end of fiscal year 2011, General Fund had \$5,938,497 of unassigned fund balance, an amount equal to 19.5% of General Fund expenditures.

CERTIFICATE OF ACHIEVEMENT AWARD

The County applied for the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for the fiscal year 2010. However, the County was not awarded the certificate. This program was established by GFOA to promote education and recognition of excellence in governmental accounting and financial reporting. To be awarded a Certificate of Achievement, a Governmental unit must publish an easily readable and efficiently organized, comprehensive annual financial report, with content conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe this report meets the requirements of the Certificate of Achievement Program, and we are submitting it to GFOA for review.

ACKNOWLEDGMENTS

The preparation of this report would not have been accomplished without the effective and dedicated services of the entire staff of the Department of Finance. We express our appreciation to all Barrow County officials and employees who assisted and contributed to the operations of the County during Fiscal Year 2011 and the preparation of this report. We also thank Mauldin & Jenkins for their assistance.

Respectfully submitted,



Rose K. Kisaalita, CPA
Chief Financial Officer

BARROW COUNTY, GEORGIA

PRINCIPAL OFFICIALS

SEPTEMBER 30, 2011

CHAIRMAN AND COMMISSIONERS

Daniel Yearwood, Jr.	Chairman
Larry Joe Wilburn	Commissioner
Eva S. Elder	Commissioner
H. Steve Worley	Commissioner
Isaiah Berry	Commissioner
Billy E. Parks	Commissioner
Ben Hendrix	Commissioner

ELECTED OFFICIALS

Brad Smith	District Attorney
Currie Mingledorff	Judge, Superior Court
David Crosby	Coroner
David Motes	Judge, Superior Court
Joseph Booth	Judge, Superior Court
Jud Smith	Sheriff
June Davis	Judge, Magistrate Court
Melinda Williams	Tax Commissioner
Regina McIntyre	Clerk of Superior Court
Tammy Brown	Judge, Probate Court

APPOINTED OFFICIALS

Angie Davis	Attorney
Kevin Guidry	Juvenile Judge (Judges appointment)
Michelle Sims	Clerk of Commission

DIRECTORS/SUPERVISORS

Britt West	Director of Cooperative Extension
Cecil Highfield	Chief Appraiser
Darrell Greeson	Director of Engineering
Dennis Merrifield	Chief of Emergency Services
Karen Townley	Director of Senior Center
Monica Franklin	Interim Director of Elections and Registration
Kurt Cooper	Director of Recreation Services
Mark Whiddon	Director of Wastewater Services
Myron Garrett	Director of Water Authority
Nat Dukes	Director of Roads & Bridges/Fleet Maintenance
Rebecca Whiddon	Planning & License & Permits Supervisor
Robert Hohe	Operations Development Manager
Rose Kisaalita	Chief Financial Officer
Shannon Young	Director of KBB/Stormwater

CITIZENS OF BARROW COUNTY

BOARD OF COMMISSIONERS AND CHAIRMAN

Attorney

County Auditor

County Clerk

Manager

GSI

MIS

Purchasing

Sheriff

District Attorney

Tax Commissioner

Coroner

Probate Court

Court

Magistrate Court

Superior Court

Juvenile Court

Finance

Human Resources

Planning & Licensing

Engineering

Roads & Fleet

Buildings & Grounds

Stormwater/Keep Barrow Beautiful

Water & Sewer Authority

Parks & Rec

Senior Center

Fire/EMS/E911

Animal Control

Waste Water Treatment

Tax Assessor

Elections

Airport Authority

Board of Health

Conservation 4-H



Financial Section

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
 - Government-wide Financial Statements
 - Fund Financial Statements
- Required Supplementary Information
- Combining, Individual Fund Statements and Schedules



INDEPENDENT AUDITOR'S REPORT

**To the Chairman and Members
of the Board of Commissioners
Barrow County, Georgia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Barrow County, Georgia** (the "County"), as of and for the fiscal year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Barrow County Board of Health, which represents 1.59% and 15.92%, respectively, of the assets and revenue of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Barrow County Board of Health, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Barrow County, Georgia, as of September 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of October 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2012 on our consideration of the 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Funding Progress (on pages 10 through 20 and page 69, respectively) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects constructed with special sales tax proceeds (as required by the Official Code of Georgia Annotated 48-8-21), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Atlanta, Georgia
April 2, 2012



**BARROW COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

This section of the Barrow County, Georgia, annual financial report presents a narrative overview and an analysis of the financial activities of the Barrow County Board of Commissioners for the fiscal year ended September 30, 2011. Management encourages readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

- The assets of Barrow County's governmental activities exceeded its liabilities at September 30, 2011 by \$82,438,043 (net assets). Of this amount, \$6,237,518 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors. As of September 30, 2011, Barrow County's governmental funds reported combined ending fund balances of \$25,792,977, an increase of \$2,649,327 or 11.5% from the previous fiscal year. The majority of this increase was due to the various departments watching their spending.
- The General Fund reported an unassigned fund balance of \$5,938,497 or 19.5% of total General Fund expenditures. Based on fiscal year 2011 General Fund expenditures, the County's unassigned fund balance will cover 2.34 months of General Fund operating expenditures.
- The net change in the General Fund balance for this fiscal year is an increase of \$2,199,258 or 48.4%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as introduction to the County's basic financial statements. These basic statements consist of three sections: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other information supplementary to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the County's overall financial status. These statements use a format similar to a private-sector business. They include a Statement of Net Assets and a Statement of Activities, which appear on pages 22 and 23 of this report.

The Statement of Net Assets presents information on the County's assets and liabilities. Net Assets, the difference between these assets and liabilities, is a useful way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net assets are indicators of whether its financial health is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during this current fiscal year. All of the current fiscal year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. This statement separates program revenue (charges for services, grants, and contributions) from general revenue (including taxes) which shows the extent each program must rely on taxes for funding.

The Statement of Net Assets and the Statement of Activities for the County are divided into three categories:

- **Governmental Activities** – These activities are comprised of functions of the County which are primarily financed by taxes and intergovernmental revenues. Examples include judicial, public safety, public works, health and welfare, culture and recreation, housing and development and general government.
- **Business-type Activities** – The County charges fees to cover the services it provides. These activities include stormwater and water and sewer services.

**BARROW COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

- **Component Units** – The County's statements include five component units for which the County is financially responsible: the Board of Health, Industrial Building Authority, Joint Development Authority, Water and Sewerage Authority, and the Airport Authority. These component units are separately identified within the statements to show they are legally separate from the County.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. A fund is a grouping of related accounts used to maintain control over resources which have been segregated for specific activities or objectives. Barrow County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Barrow County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, this set of financial statements focuses on events which produce near term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year. The fund statements also have a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

Barrow County's statements present two individual major funds: General Fund and the Capital Projects Special Local Option Sales Tax (SPLOST) Fund. The other nonmajor governmental funds are presented in an aggregate column in the basic financial statements. Individually, Emergency 911, Confiscated Assets, Law Library, the Inmate Commissary, the Revolving Loan, and Multiple Grants special revenue funds are included in the form of Combining Statements and Individual Fund Statements and Schedules located in the supplementary information section following the notes to the financial statements.

Barrow County adopted an annual appropriated budget for the General Fund and each special revenue fund. A budgetary comparison statement is provided in order to present budgetary compliance. General Fund comparison statements can be found in the basic financial statements, while all nonmajor fund variances follow the notes to the financial statements. The basic governmental fund statements can be found on pages 24 through 31 of this report.

Proprietary funds – The financial statements of Barrow County include the Sewerage Treatment Fund and the Water Transmission Fund as major proprietary funds and the Stormwater Fund as a non major fund. Proprietary fund statements follow the governmental fund statements in this report. The County prepares budgetary estimates for the enterprise funds. The budgetary estimates, upon which such budgets are adopted, are retained in memorandum form for budget control purpose and are utilized in the preparation of comparative operating statements. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting. The basic proprietary fund financial statements are found on 32 pages 34 through of this report.

Agency funds – Agency funds are used to account for resources held for the benefit of parties outside the County. The basic agency fund financial statements are found on page 35 of this report.

Notes to the financial statements – The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 36 through 68 of this report.

**BARROW COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

Other information – In addition to the basic financial statements and notes, this report also includes certain required supplementary information found on page 69.

Combining statements and schedules referred to earlier, which present more detailed views, are found on pages 70 through 88 of this report.

Government-wide Financial Analysis

As noted earlier, changes in net assets over time can be a useful indicator of a government's financial position. At the end of fiscal year ending September 30, 2011, the County's assets for governmental activities exceeded liabilities by \$82,438,043.

Table 1

	Governmental Activities		Business-Type Activities		Total		Percentage of Total	
	Restated		Restated		Restated		Restated	
	2011	2010	2011	2010	2011	2010	2011	2010
Assets:								
Current and other assets	\$ 29,885,738	\$ 27,733,088	\$ 1,150,618	\$ 794,695	\$ 31,036,356	\$ 28,527,783	16%	15%
Capital assets	108,439,951	111,192,516	55,698,384	53,903,990	164,138,335	165,096,506	84%	85%
Total assets	138,325,689	138,925,604	56,849,002	54,698,685	195,174,691	193,624,289	100%	100%
Liabilities:								
Current liabilities	2,533,930	2,697,629	849,192	664,547	3,383,122	3,362,176	4%	4%
Long-term liabilities	53,353,716	55,529,107	26,561,914	24,506,703	79,915,630	80,035,810	96%	96%
Total liabilities	55,887,646	58,226,736	27,411,106	25,171,250	83,298,752	83,397,986	100%	100%
Net assets:								
Investment in capital assets, net of debt	57,390,634	57,375,698	29,163,888	29,422,542	86,554,522	86,798,240	77%	79%
Restricted	18,809,891	18,374,870	-	-	18,809,891	18,374,870	17%	17%
Unrestricted	6,237,518	4,948,300	274,008	104,893	6,511,526	5,053,193	6%	4%
Total net assets	\$ 82,438,043	\$ 80,698,868	\$ 29,437,896	\$ 29,527,435	\$ 111,875,939	\$ 110,226,303	100%	100%

As illustrated in Table 1, the County's assets for business-type activities exceeded liabilities by \$29,437,896 bringing the total primary government net assets to \$111,875,939.

Of the \$111,875,939 in net assets, Barrow County's investment in capital assets (e.g., land, buildings, machinery and equipment), less any outstanding related debt used to acquire the assets and accumulated depreciation, equals 77% of net assets. The County uses these capital assets to provide services to citizens and consequently these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities. Barrow County's net assets also include restricted net assets in the amount of \$18,809,891 out of which \$85,870 is restricted for public safety, \$172,720 is

**BARROW COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

restricted for the law library, \$39,071 is restricted for economic activities, and \$18,512,230 is restricted for capital improvements. Restricted net assets account for 17% of total net assets. Finally, unrestricted net assets of \$6,511,526 or 6% of total net assets, may be used to meet the County's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Barrow County reported positive balances in all categories of net assets.

Table 2

	Governmental Activities 2011	Restated Governmental Activities 2010	Business-type Activities 2011	Restated Business-type Activities 2010	Total 2011	Restated Total 2010
Revenues:						
Program revenues						
Charges for services	\$ 9,027,891	\$ 8,851,092	\$ 3,201,945	\$ 2,628,111	\$ 12,229,836	\$ 11,479,203
Operating Grants and contributions	971,570	363,731	-	80,251	971,570	443,982
Capital Grants and contributions	44,646	1,934,789	520,680	726,993	565,326	2,661,782
General revenues:						
Taxes:						
Property taxes	17,180,883	16,730,759	-	-	17,180,883	16,730,759
Alcoholic beverages taxes	255,338	247,076	-	-	255,338	247,076
Insurance premium taxes	1,245,491	1,280,616	-	-	1,245,491	1,280,616
Franchise taxes	253,161	243,729	-	-	253,161	243,729
Sales taxes	12,973,150	12,598,996	-	-	12,973,150	12,598,996
Other taxes	255,029	294,325	-	-	255,029	294,325
Interest	53,528	141,182	660	535	54,188	141,717
Other revenues	472,709	699,826	-	-	472,709	699,826
Gain on sale of capital assets	-	302,245	-	-	-	302,245
Total revenues	<u>42,733,396</u>	<u>43,688,366</u>	<u>3,723,285</u>	<u>3,435,890</u>	<u>46,456,681</u>	<u>47,124,256</u>
Expenses:						
General government	7,891,169	8,801,693	-	-	7,891,169	8,801,693
Judicial	3,047,533	2,837,367	-	-	3,047,533	2,837,367
Public safety	21,787,947	21,916,777	-	-	21,787,947	21,916,777
Public works	3,154,020	3,085,370	-	-	3,154,020	3,085,370
Health and welfare	611,622	687,778	-	-	611,622	687,778
Culture and recreation	884,379	915,803	-	-	884,379	915,803
Housing and community development	326,365	453,395	-	-	326,365	453,395
Interest on long-term debt	2,386,926	2,023,550	-	-	2,386,926	2,023,550
Sewage treatment	-	-	1,753,166	2,569,153	1,753,166	2,569,153
Water transmission	-	-	2,508,974	2,596,396	2,508,974	2,596,396
Stormwater	-	-	454,944	292,967	454,944	292,967
Total expenses	<u>40,089,961</u>	<u>40,721,733</u>	<u>4,717,084</u>	<u>5,458,516</u>	<u>44,807,045</u>	<u>46,180,249</u>
Increase (decrease) in net assets before transfers	2,643,435	2,966,633	(993,799)	(2,022,626)	1,649,636	944,007
Transfers	(904,260)	(1,002,922)	904,260	1,002,922	-	-
Change in net assets	1,739,175	1,963,711	(89,539)	(1,019,704)	1,649,636	944,007
Net assets -beginning, restated	80,698,868	78,735,157	29,527,435	30,547,139	110,226,303	109,282,296
Net assets, end of fiscal year	<u>\$ 82,438,043</u>	<u>\$ 80,698,868</u>	<u>\$ 29,437,896</u>	<u>\$ 29,527,435</u>	<u>\$ 111,875,939</u>	<u>\$ 110,226,303</u>

The above Table 2 is included for the purpose of comparing government wide statement of activities for the fiscal year ended September 30, 2011 with 2010.

**BARROW COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

For governmental activities, capital grants and contributions was \$44,646 in fiscal year 2011 compared to \$1,934,789 in fiscal year 2010, a difference of \$1,890,143. These are donations from developers. Because of the down turn in the economy, there were no new subdivisions in the County. Property taxes went up by \$450,124 in fiscal year 2011 compared to fiscal year 2010. This was due mainly from the one mill increase in ad valorem tax rate the Board of Commissioners approved in the fiscal year 2011 budget. Local Option Sales Tax and Special Option Sales Tax increased by \$374,154 in fiscal year 2011 compared to 2010, an indication that the local economy was better in 2011 compared to 2010. Total expenditure in the general government went down by \$910,524 in fiscal 2011 compared in fiscal 2010. In fiscal year 2011, the County decided to make the recommended contribution, which was less than the annual required contribution, towards its retirement program, paying \$700,677 in fiscal 2011 compared to \$1,589,742 in fiscal 2010. Fiscal year 2010 ending balance was restated due to the following: change in reporting entity, reporting capital assets that were omitted in prior fiscal years, and adjustment to record revenue in the proper period. Detail on prior period adjustments is on page 67 through 68.

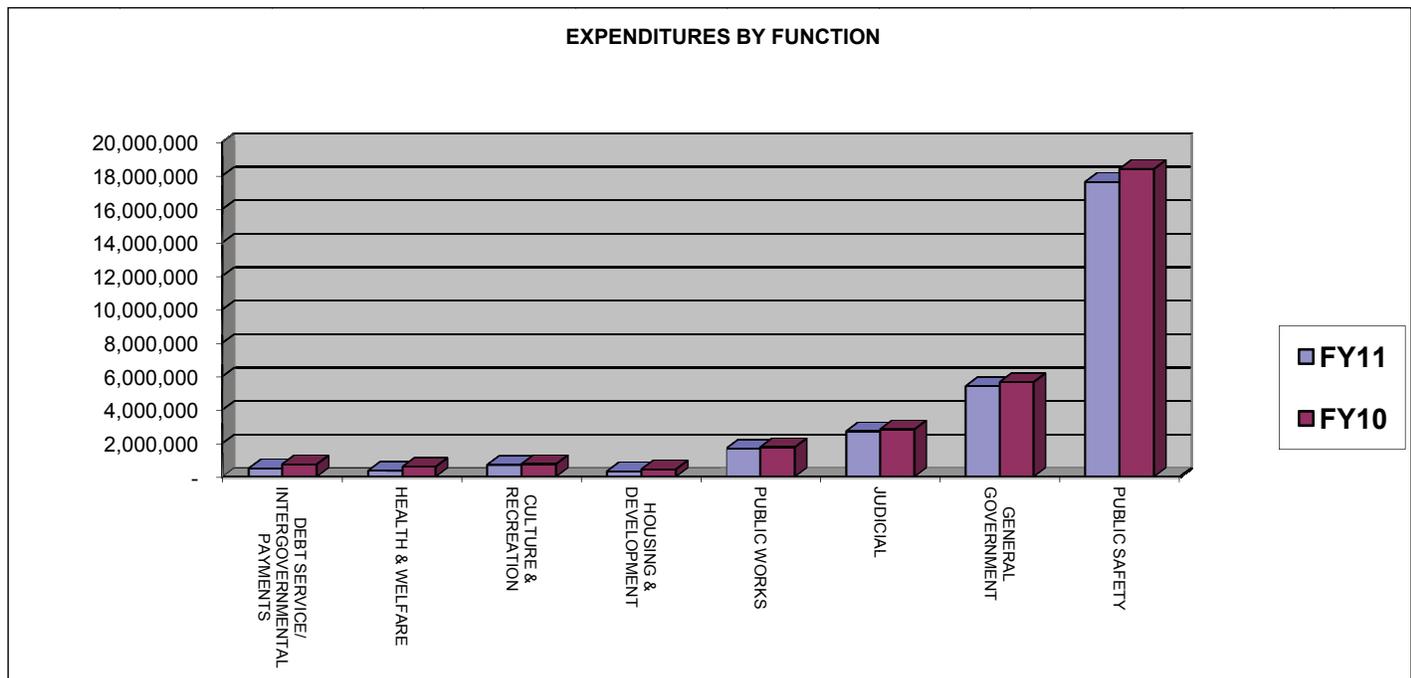
Business-type activities revenue for charges for services went up in fiscal year 2011 by \$573,834 and capital grants and contributions revenue went down by \$206,313.

Barrow County General Fund Highlights

The General Fund is the chief operating fund for the County. At September 30, 2011, unassigned fund balance in the General Fund was \$5,938,497. As a measure of liquidity of the General Fund, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 2.34 months of total General Fund expenditures.

Barrow County's General Fund expenditures totaled \$30,434,932 compared to \$32,069,732 of the prior fiscal year. The breakdown of expenditures by function is illustrated in the chart below. The majority of the expenditures, \$17,616,305 or 57.88%, was related to Public Safety compared to \$18,392,672 or 57.35% of the prior fiscal year.

Graph 1



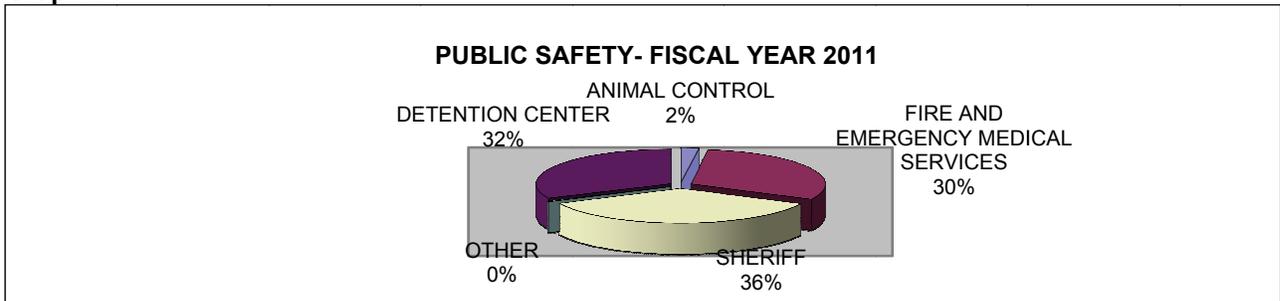
**BARROW COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

Illustrated in Graph 1, fiscal year 2011 expenditures represent \$1,634,800 or a 5.1% decrease over the previous fiscal year. Fiscal year 2011 expenditures totaled \$30,434,932. The majority of the decrease is related to General Government, Public Safety and Health and Welfare. Payments for Industrial Building Authority and the Joint Development debts are reflected in the payments to joint and other governmental agencies category (\$1,169,711).

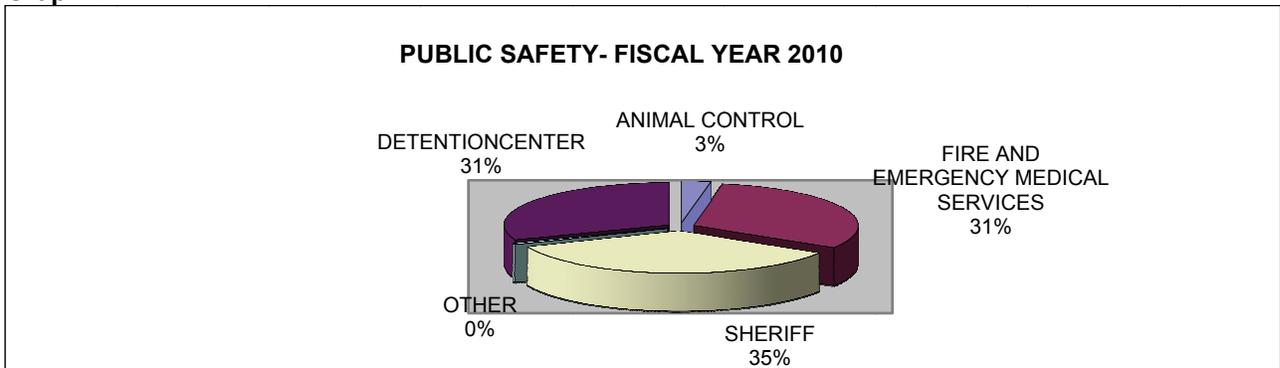
The following data includes the breakdown of the Public Safety expenditures which represents over 56.5% of the total General Fund budget.

	<u>9/30/2011</u>	<u>9/30/2010</u>
Sheriff	\$ 6,259,666	\$ 6,433,873
Detention Center	5,613,509	5,656,285
Fire and Emergency Medical Services	5,326,918	5,700,421
Animal Control	365,658	518,229
Other	<u>50,554</u>	<u>83,864</u>
 Total	 <u>\$ 17,616,305</u>	 <u>\$ 18,392,672</u>

Graph 2



Graph 2.1

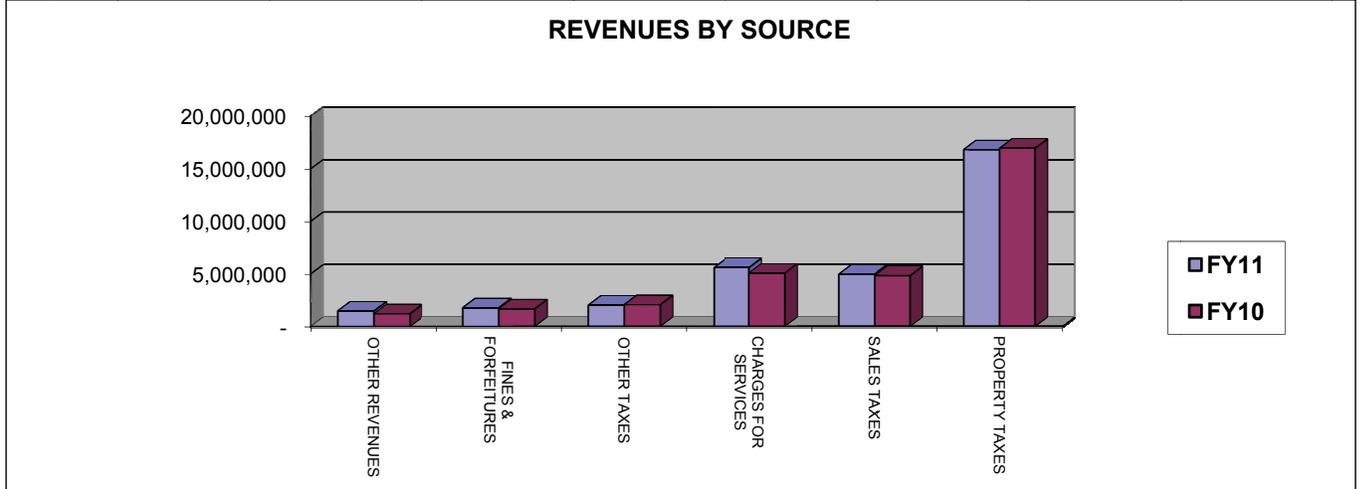


Barrow County's General Fund revenues totaled \$32,629,784 which represents an increase of \$826,376 over the previous fiscal year. The major revenue sources are listed in the chart below. Sales and Use Tax collections accounted for \$4,965,362 or 15.22% of total General Fund Revenues. Property Tax collections accounted for \$16,823,684 or 51.56% of General Fund revenues. Other revenue sources

**BARROW COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

included charges for services, other taxes, fines and forfeitures, license and permits, earnings on investments, intergovernmental revenues and miscellaneous income.

Graph 3



General Fund Budgetary Highlights

Differences between the General Fund's original expenditure budget (included transfer outs) of \$31,471,497 and the final amended budget of \$31,825,016 amounted to \$353,519 or a 1.12% increase. Because of the decline in revenues and the downturn in the economy, there were cuts in expenditure budgets in most departments. The original budget for revenues (including transfer in and proceeds from sale of capital assets) was \$31,471,497 and the final budget was \$31,254,526. The grants were budgeted for in the General Fund but were later moved to a grants special revenue fund. Total revenues (included transfer) for fiscal year 2011 were \$32,634,190, an increase of \$1,162,693 from the original budget and \$1,379,664 from the amended budget.

General Fund Revenue Highlights

Total taxes collected by Barrow County were \$23,798,065. This amount was \$93,203 or .39% higher than the fiscal year 2011 budget amount. Local Option Sales Tax (LOST) revenues increased \$143,519, or 2.98%, from the previous fiscal year. The County collected \$165,712 more than anticipated in the fiscal year 2011 budget for LOST revenues.

The County experienced a small increase for license and permits revenue due to the related slow turn around of the housing industry. Fiscal year 2011 County permits revenue was \$418,261, which represented an increase of \$74,758 from revenues in fiscal year 2010.

Intergovernmental revenues showed a positive variance of \$464,682 over the revised budget. Intergovernmental revenues include amounts received from component units as well as local government revenue received from surrounding counties. Federal and State Grant revenues are not included in the revised budget.

Charges for services were over the revised budget by \$587,525. The major component of the increase was in emergency medical services fee which represented 84.3% of the increase.

Fines and forfeitures came in at \$81,235 above the revised budget.

Investment income had a positive variance with the final budget of \$7,958. Interest rates are still very low.

**BARROW COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

General Fund Position Highlights

The fiscal year 2011 budget included 461 full-time positions. Per the Budget Ordinance, this represented the maximum employment level for such departments and agencies and could not be increased without the approval of the Chairman and Commission. The fiscal year 2011 Budget did not include any market adjustments or merit increases for the employees.

General Fund Expenditure Highlights

Overall expenditures for the general government were \$5,404,149. Total general government expenditures came in under the revised budget by \$267,791 and over the original budget by \$120,884. The negative variance was due mainly to moving the grants to a separate fund.

Judicial expenditures were \$2,717,460. This was \$96,340 below the revised budget and \$100,404 below the original budget.

Public Safety expenditures totaled \$17,616,305 for the fiscal year. The expenditures were under the final budget by \$153,023 and over the original budget by \$37,547. All Public Safety departments came in under the original budget.

Public Works expenditures were \$1,661,082 This amount was below the final budget by \$95,276.

Health and Welfare expenditures were \$352,198, which was \$18,289 under the final budget.

Culture and Recreation expenses were \$700,385, a positive variance from the final budget of \$47,943.

Housing and Development expenditures were \$319,115, which was \$20,060 less than the final budget.

Intergovernmental payments to joint and other governmental agencies expenditures were \$1,169,711. These were transfers to the Industrial Building Authority and the Joint Development Authority for the payment of interest on the debts in those two authorities.

Other financing sources (uses) totaled (\$4,406) for the fiscal year. This was transfers in from the Sewer Treatment enterprise fund.

Expenditures (including transfers out) for the General Fund were below the original budget by \$1,036,565 and below the revised budget by \$1,390,084. This represents a 34.1% variance from the original budget.

General Fund Summary

At the end of fiscal year 2011, General Fund's fund balance was \$6,743,724 of which \$5,938,497 is unassigned fund balance, or 2.34 months of expenditures. The budgeted level of fund balance at the end of fiscal year 2011 as restated was \$4,544,466. The actual impact on fund balance for the fiscal year was \$2,199,258. The County made the recommended contribution, which was less than the annual required contribution, towards its retirement program, paying \$700,677 in fiscal 2011 compared to \$1,589,742 in fiscal 2010; a variance of \$889,065. Charge of emergency services revenue went up from \$1,264,994 in fiscal year 2010 to \$1,497,453, a difference of \$232,459. Solid Waste Tipping fee went up from \$700,331 in fiscal year 2010 to \$832,472 in fiscal year 2011, a difference of \$132,141.

Financial Analysis of the Other County's Funds

Governmental funds – Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing Barrow County's financing requirements. Unassigned fund balance is a useful measure of the County's net resources available for spending at the end of the fiscal year.

**BARROW COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

As of September 30, 2011, Barrow County's nonmajor governmental funds reported combined ending fund balances of \$537,023, of which \$297,661 is restricted, \$28,867 is committed, and \$210,495 is assigned fund balance.

The Capital Projects (SPLOST) Fund has a total fund balance of \$18,512,230. Current fiscal year total SPLOST revenues from taxes totaled \$8,007,788. The major SPLOST projects for fiscal year 2011 included various road repairs and improvements as well as the renovations to the old courthouse facilities. It is projected to take Barrow County through fiscal year 2012 to fully complete this project. The Fire Training Center project is on hold for now.

Proprietary Funds – Barrow County's proprietary funds provide the same type of information found business-type activities in the government-wide financial statements, but in more detail.

The Sewerage Treatment Fund had operating revenue in the amount of \$1,251,475 for fiscal year 2011, an increase of \$333,750 from fiscal year 2010. Operating expenses were \$1,611,704. The Sewerage Treatment fund had an operating loss for the year of \$360,229.

The Water Transmission Fund had operating revenue in the amount of \$1,478,307 for fiscal year 2011, and operating expenses of \$1,740,640. The Water Transmission Fund had an operating loss of 262,333 for the fiscal year. Transfers in from the Capital Projects SPLOST Fund were used for the debt payment obligation on the Bear Creek Reservoir as allotted under the SPLOST referendum. The Water Transmission Fund had a decrease in net assets for the fiscal year of \$130,344. The Stormwater Fund had operating revenue of \$472,163 and operating expenses of \$454,944. Change in net assets for the Stormwater Fund was \$17,219.

Capital Assets and Debt Administration

BARROW COUNTY'S CAPITAL ASSETS
(net of depreciation)
Fiscal Years 2011 and 2010

	Governmental activities		Business-type activities		Total Primary Government	
	2011	2010 - restated	2011	2010 - restated	2011	2010 - restated
Land	\$ 5,221,704	\$ 5,221,704	\$ 1,163,202	\$ 1,163,202	\$ 6,384,906	\$ 6,384,906
Construction in progress	5,470,292	6,666,336	2,024,421	1,130,904	7,494,713	7,797,240
Buildings and system	61,407,556	62,618,703	8,351,147	8,558,870	69,758,703	71,177,573
Improvements other than buildings	2,508,982	2,668,228	11,349	26,754	2,520,331	2,694,982
Machinery and equipment	3,630,547	4,563,067	99,176	117,463	3,729,723	4,680,530
Infrastructure and intangible assets	30,200,870	29,210,607	44,049,089	42,906,797	74,249,959	72,117,404
Total	\$ 108,439,951	\$ 110,948,645	\$ 55,698,384	\$ 53,903,990	\$ 164,138,335	\$ 164,852,635

Capital Assets – Barrow County's investment in capital assets as of September 30, 2011, for the primary government amounts to \$164,138,335, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, and infrastructure.

Major capital asset related events during the current fiscal year included the following:

- 211 Turn Lane
- Hoyt King and Highway 81
- LMG Road Patching
- Historic Courthouse/Courthouse Annex Renovation
- Auburn/Winder sewer project
- State Route 316/53 Pump Station line Phase II

**BARROW COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

- Bankhead highway sewer project.

Additional information regarding the County's capital assets can be found in Note 5 to the Basic Financial Statements

BARROW COUNTY'S OUTSTANDING DEBT
General Obligation and Revenue Bonds
Fiscal Years 2011 and 2010

	Governmental activities		Business-type activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Contracts payable	\$ -	\$ -	\$ 23,679,947	\$ 24,481,448	\$ 23,679,947	\$ 24,481,448
General obligation bonds	50,831,477	52,990,066	-	-	50,831,477	52,990,066
Revenue bonds and capital leases	217,840	826,752	-	-	217,840	826,752
Compensated absences	1,228,757	1,262,455	27,418	25,255	1,256,175	1,287,710
Net pension obligation	221,280	-	-	-	221,280	-
Net OPEB obligation	854,362	449,834	-	-	854,362	449,834
Notes payable	-	-	2,854,549	-	2,854,549	-
Total	\$ 53,353,716	\$ 55,529,107	\$ 26,561,914	\$ 24,506,703	\$ 79,915,630	\$ 80,035,810

Long-Term Debt – At the end of the current fiscal year, Barrow County (excluding component units) has total bonded debt outstanding of \$50,831,477. This amount represents the balance of the General Obligation Sales Tax Bond issuance. Additional County debt includes the following:

- Capital Lease Debt outstanding - \$217,840
- Compensated Absences - \$1,256,175
- Contracts Payable – Bear Creek Reservoir and City of Winder \$23,679,947 and the GEFA loan \$2,854,549.

The above debt does not include any long-term debt related to the component units listed on the Barrow County Government-wide Financial Statements.

Additional information on the County's debt can be found in the Note 6 to the Basic Financial Statements.

Other Matters

The following factors are expected to have a significant effect on the County's financial position or results of operations and were taken into account in developing the fiscal year 2012 budget.

- The Fiscal Year 2012 General Fund Budget was \$399,741 higher than the Fiscal Year 2011 because of the expected increase in retirement contribution of \$1,016,455. The budget for taxes was reduced by \$1,264,054, 5% decrease compared to Fiscal Year 2011. Charges for Services, Fines and Forfeitures, Intergovernmental Revenue, and License and Permits budgets were increased by \$563,515, 7.69% increase compared to Fiscal Year 2011.
- Due to the recent economic downturn, there were no new positions added and the County did not include any merit or cost of living increases for County employees.
- On November 8, 2011 the citizens of Barrow County voted to create a new position of County Manager for Barrow County. This position will take into effect January of 2013.
- As a result of the above vote, the Chairperson of the Board shall be on a part-time basis.

**BARROW COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

Requests for Information

The financial report is designed to provide a general overview of Barrow County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chief Financial Officer, Barrow County Financial Administration, 233 East Broad Street, Winder, GA 30680.

Basic Financial Statements



**BARROW COUNTY, GEORGIA
STATEMENT OF NET ASSETS**

SEPTEMBER 30, 2011

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities
ASSETS					
Cash and cash equivalents	\$ 13,715,412	\$ 716,146	\$ 14,431,558	\$ 1,039,440	\$ 5,537,407
Investments	10,402,481	-	10,402,481	-	526,579
Receivables (net where applicable, of allowance for uncollectibles):					
Taxes	2,548,744	-	2,548,744	-	-
Accounts	868,946	638,120	1,507,066	141,218	308,306
Interest	2,878	-	2,878	-	-
Due from other governments	288,846	63,640	352,486	-	-
Due from primary government	-	-	-	-	141,707
Due from component unit	18,331	-	18,331	-	-
Prepaid items	57,308	-	57,308	-	-
Internal balances	267,288	(267,288)	-	-	-
Inventory	32,289	-	32,289	-	80,055
Restricted assets:					
Cash and cash equivalents	-	-	-	-	1,044,452
Deferred charges	1,683,215	-	1,683,215	470,420	192,092
Capital assets not being depreciated:					
Land	5,221,704	1,163,202	6,384,906	20,487,763	3,719,110
Construction in progress	5,470,292	2,024,421	7,494,713	148,706	141,331
Capital assets (net of accumulated depreciation):					
Buildings and systems	61,407,556	8,351,147	69,758,703	-	1,106,636
Improvements other than buildings	2,508,982	11,349	2,520,331	-	2,660,735
Machinery and equipment	3,630,547	99,176	3,729,723	4,473	121,537
Infrastructure and intangible assets	30,200,870	44,049,089	74,249,959	-	14,780,383
Total assets	<u>138,325,689</u>	<u>56,849,002</u>	<u>195,174,691</u>	<u>22,292,020</u>	<u>30,360,330</u>
LIABILITIES					
Accounts payable	667,184	161,825	829,009	27,507	104,234
Retainage payable	28,968	10,000	38,968	-	-
Salaries and wages payable	641,991	10,110	652,101	-	10,319
Accrued liabilities	8,701	25,373	34,074	-	7,798
Due to primary government	-	-	-	-	18,331
Unearned revenues	-	403,500	403,500	-	-
Due to component units	-	141,707	141,707	-	-
Accrued interest payable	1,187,086	96,677	1,283,763	531,980	68,242
Long-term liabilities:					
Due within one year:					
Contracts payable	-	833,715	833,715	-	-
Bonds payable	2,145,000	-	2,145,000	375,000	635,000
Capital lease payable	217,840	-	217,840	-	-
Compensated absences	983,006	21,934	1,004,940	11,886	27,842
Due in more than one year:					
Net OPEB obligation	854,362	-	854,362	-	-
Contracts payable	-	22,846,232	22,846,232	-	-
Net pension obligation	221,280	-	221,280	-	-
Bonds payable (net of unamortized discounts)	48,686,477	-	48,686,477	26,556,359	9,700,000
Notes payable	-	2,854,549	2,854,549	-	-
Compensated absences	245,751	5,484	251,235	44,374	6,961
Total liabilities	<u>55,887,646</u>	<u>27,411,106</u>	<u>83,298,752</u>	<u>27,547,106</u>	<u>10,578,727</u>
NET ASSETS (DEFICITS)					
Invested in capital assets, net of related debt	57,390,634	29,163,888	86,554,522	(6,290,417)	12,194,732
Restricted for:					
Public safety	85,870	-	85,870	-	-
Law library	172,720	-	172,720	-	-
Economic activities	39,071	-	39,071	-	-
Debt service	-	-	-	-	341,210
Capital improvements	18,512,230	-	18,512,230	-	-
Unrestricted	<u>6,237,518</u>	<u>274,008</u>	<u>6,511,526</u>	<u>1,035,331</u>	<u>7,245,661</u>
Total net assets (deficits)	<u>\$ 82,438,043</u>	<u>\$ 29,437,896</u>	<u>\$ 111,875,939</u>	<u>\$ (5,255,086)</u>	<u>\$ 19,781,603</u>

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

BARROW COUNTY, GEORGIA
STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets							
	Expenses	Charges for Services	Capital		Primary Government		Component Units					
			Operating Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities				
Primary government:												
Governmental activities:												
General government	\$ 7,891,169	\$ 1,434,003	\$ 3,160	\$ -	\$ (6,454,006)	\$ -	\$ (6,454,006)	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	3,047,533	2,888,169	232,806	-	73,442	-	73,442	-	-	-	-	-
Public safety	21,787,947	3,067,011	106,652	-	(18,614,284)	-	(18,614,284)	-	-	-	-	-
Public works	3,154,020	537,251	6,126	44,646	(2,565,997)	-	(2,565,997)	-	-	-	-	-
Health and welfare	611,622	-	169,411	-	(442,211)	-	(442,211)	-	-	-	-	-
Culture and recreation	884,379	227,619	-	-	(656,760)	-	(656,760)	-	-	-	-	-
Housing and development	326,365	873,838	453,415	-	1,000,888	-	1,000,888	-	-	-	-	-
Interest on long term debt	2,386,926	-	-	-	(2,386,926)	-	(2,386,926)	-	-	-	-	-
Total governmental activities	40,089,961	\$ 9,027,891	\$ 971,570	\$ 44,646	\$ (30,045,854)	\$ -	\$ (30,045,854)	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type activities:												
Sewerage Treatment	1,753,166	1,251,475	-	520,680	-	18,989	18,989	-	-	-	-	-
Water Transmission	2,508,974	1,478,307	-	-	-	(1,030,667)	(1,030,667)	-	-	-	-	-
Stormwater	454,944	472,163	-	-	-	17,219	17,219	-	-	-	-	-
Total business-type activities	4,717,084	3,201,945	-	520,680	-	(994,459)	(994,459)	-	-	-	-	-
Total primary government	44,807,045	\$ 12,229,836	\$ 971,570	\$ 565,326	\$ (30,045,854)	\$ (994,459)	\$ (31,040,313)	\$ -	\$ -	\$ -	\$ -	\$ -
Component units:												
Governmental activities	\$ 2,675,406	\$ 292,429	\$ 1,812,345	\$ -	\$ -	\$ -	\$ -	\$ (570,632)	\$ -	\$ -	\$ -	\$ -
Business-type activities	2,640,350	2,942,958	-	765,000	-	-	-	-	-	-	-	1,067,608
Total component units	\$ 5,315,756	\$ 3,235,387	\$ 1,812,345	\$ 765,000	\$ -	\$ -	\$ (570,632)	\$ -	\$ (570,632)	\$ -	\$ (570,632)	\$ 1,067,608
General revenues:												
Property taxes					17,180,883		17,180,883					
Sales taxes					12,973,150		12,973,150					
Franchise taxes					253,161		253,161					
Insurance premium taxes					1,245,491		1,245,491					
Alcoholic beverage taxes					255,338		255,338					
Other taxes					255,029		255,029					
Interest					53,528	660	54,188	1,900				13,162
Other revenues					472,709		472,709					54,186
Transfers					(904,260)	904,260	-	-	-	-	-	-
Total general revenues and transfers					31,785,029	904,920	32,689,949	1,900	1,900	1,900	1,900	67,348
Change in net assets					1,739,175	(89,539)	1,649,636	(568,732)	(568,732)	(568,732)	(568,732)	1,134,956
Net assets (deficits) - beginning, as restated					80,698,868	29,527,435	110,226,303	(4,686,354)	(4,686,354)	(4,686,354)	(4,686,354)	18,646,647
Net assets (deficits) - ending					\$ 82,438,043	\$ 29,437,896	\$ 111,875,939	\$ (5,255,086)	\$ (5,255,086)	\$ (5,255,086)	\$ (5,255,086)	\$ 19,781,603

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

**BARROW COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011**

	General	Capital Projects SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,073,695	\$ 10,143,512	\$ 498,205	\$ 13,715,412
Investments	2,520,333	7,882,148	-	10,402,481
Receivables:				
Taxes	1,875,728	673,016	-	2,548,744
Accounts	708,628	-	160,318	868,946
Interest	1,469	1,393	16	2,878
Due from other governments	178,120	-	110,726	288,846
Due from other funds	410,588	-	-	410,588
Due from component unit	18,331	-	-	18,331
Inventory	32,289	-	-	32,289
Prepaid items	57,308	-	-	57,308
Total assets	\$ 8,876,489	\$ 18,700,069	\$ 769,265	\$ 28,345,823
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 440,793	\$ 158,871	\$ 67,520	\$ 667,184
Retainage payable	-	28,968	-	28,968
Salaries and wages payable	620,732	-	21,259	641,991
Accrued liabilities	8,701	-	-	8,701
Due to other funds	-	-	143,300	143,300
Deferred revenue	1,062,539	-	163	1,062,702
Total liabilities	2,132,765	187,839	232,242	2,552,846
 Fund balances:				
Nonspendable	89,597	-	-	89,597
Restricted	-	18,512,230	297,661	18,809,891
Committed	664,491	-	28,867	693,358
Assigned	51,139	-	210,495	261,634
Unassigned	5,938,497	-	-	5,938,497
Total fund balances	6,743,724	18,512,230	537,023	25,792,977
Total liabilities and fund balances	\$ 8,876,489	\$ 18,700,069	\$ 769,265	\$ 28,345,823

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

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

Amounts Reported for Governmental activities in the statement of net assets (page 22) are different because:

Total Fund Balance on the balance sheet (page 24)	\$ 25,792,977
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 156,524,349
Less: Accumulated Depreciation	(48,084,398) 108,439,951
The net pension obligation is not due and payable in current period and therefore is not reported in the funds.	(221,280)
Deferred charges, unamortized issuance costs, are not a current financial resource and therefore is not reported in the funds	1,683,215
Various receivables and other long-term assets are not available to pay for current- period expenditures and , therefore, are deferred in the funds.	1,062,702
Net OPEB obligation is not due and payable in current period and therefore is not reported in the funds.	(854,362)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(1,187,086)
General obligation bonds due within one year	(2,145,000)
General obligation bonds due in more than one year	(48,686,477)
Capital lease payable	(217,840)
Compensated absences	(1,228,757) <u>(53,465,160)</u>
Net assets of governmental activities	<u>\$ 82,438,043</u>

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

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

	<u>General</u>	<u>Capital Projects SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 23,798,065	\$ 8,007,788	\$ -	\$ 31,805,853
Licenses and permits	418,261	-	-	418,261
Intergovernmental	523,903	-	447,667	971,570
Charges for services	5,590,422	-	1,114,577	6,704,999
Fines and forfeitures	1,774,717	-	129,914	1,904,631
Investment income	53,093	27,646	435	81,174
Other revenue	471,323	-	1,386	472,709
Total revenues	<u>32,629,784</u>	<u>8,035,434</u>	<u>1,693,979</u>	<u>42,359,197</u>
EXPENDITURES				
Current:				
General government	5,404,149	3,913	211,417	5,619,479
Judicial	2,717,460	-	211,452	2,928,912
Public safety	17,616,305	-	1,478,470	19,094,775
Public works	1,661,082	-	-	1,661,082
Health and welfare	352,198	-	155,373	507,571
Culture and recreation	700,385	-	-	700,385
Housing and development	319,115	-	-	319,115
Intergovernmental:				
Payments to joint and other government agencies	1,169,708	612,220	-	1,781,928
Capital outlay	-	1,088,688	-	1,088,688
Debt service:				
Principal	483,958	2,135,244	64,710	2,683,912
Interest	10,572	2,416,116	1,741	2,428,429
Total expenditures	<u>30,434,932</u>	<u>6,256,181</u>	<u>2,123,163</u>	<u>38,814,276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,194,852</u>	<u>1,779,253</u>	<u>(429,184)</u>	<u>3,544,921</u>
OTHER FINANCING SOURCES(USES)				
Transfers in	4,406	-	-	4,406
Transfers out	-	(900,000)	-	(900,000)
Total other financing sources (uses)	<u>4,406</u>	<u>(900,000)</u>	<u>-</u>	<u>(895,594)</u>
Net change in fund balances	2,199,258	879,253	(429,184)	2,649,327
Fund balances - beginning, as restated	<u>4,544,466</u>	<u>17,632,977</u>	<u>966,207</u>	<u>23,143,650</u>
Fund balances - ending	<u>\$ 6,743,724</u>	<u>\$ 18,512,230</u>	<u>\$ 537,023</u>	<u>\$ 25,792,977</u>

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

**BARROW COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2011**

Amounts Reported for Governmental activities in the statement of activities (page 23) are different because:

Net Change in fund balances- total governmental funds (page 26)	\$	2,649,327
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimate use lives and reported as depreciation expense:		
Capital outlay		1,130,064
Depreciation expense		(3,873,305)
Capital assets transferred to enterprise funds (reflected as part of transfers out for governmental activities)		(8,666)
Net effect of disposed assets		(17,658)
Donated assets from external parties		17,000
Changes in the net pension obligation (asset) increase or decrease net assets of governmental activities but do not affect governmental funds as they are not current financial resources.		(760,610)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Fiscal year 2011 deferred revenue	1,062,702	
Fiscal year 2010 deferred revenue	(705,503)	357,199
Expenses for compensated absences are reported for governmental activities but do not require the use of current financial resources and therefore are not reported as expenditures for governmental funds.		33,698
OPEB obligations did not require the use of current financial resources and therefore, were not reported as expenditures in governmental funds.		(404,528)
The issuance of long-term debt, (e.g. bonds, leases), provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any discounts, and similar items when debt is first issues, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
General obligation bond principal paid in Fiscal Year 2011	2,075,000	
Capital lease payments in FY2011	608,912	2,683,912
Fiscal Year 2010 accrued interest that was paid in Fiscal Year 2011	1,228,586	
Fiscal Year 2011 accrued interest that was paid in Fiscal Year 2012	(1,187,086)	41,500
General obligation bond amortized premium amortization		83,589
General obligation bond issuance cost amortization		(192,347)
Change in net assets of governmental activities.	\$	<u>1,739,175</u>

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

BARROW COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property tax	\$ 16,871,212	\$ 16,871,212	\$ 16,823,684	\$ (47,528)
Sales and use tax	4,799,650	4,799,650	4,965,362	165,712
Beer and wine tax	220,000	220,000	255,338	35,338
Real estate transfer tax	54,000	54,000	39,717	(14,283)
Franchise tax	230,000	230,000	253,161	23,161
Intangible tax	265,000	265,000	215,312	(49,688)
Insurance premium tax	1,265,000	1,265,000	1,245,491	(19,509)
Total taxes	<u>23,704,862</u>	<u>23,704,862</u>	<u>23,798,065</u>	<u>93,203</u>
Licenses and permits:				
Beer and wine licenses	71,000	71,000	107,475	36,475
County permits	91,000	91,000	139,032	48,032
Business licenses	85,000	85,000	93,950	8,950
Financial institution business license	40,000	40,000	77,804	37,804
Total licenses and permits	<u>287,000</u>	<u>287,000</u>	<u>418,261</u>	<u>131,261</u>
Intergovernmental revenues:				
Federal grants	362,654	-	11,594	11,594
State grants	36,250	-	4,179	4,179
Local government revenue	59,221	59,221	508,130	448,909
Total intergovernmental revenues	<u>458,125</u>	<u>59,221</u>	<u>523,903</u>	<u>464,682</u>
Charges for services:				
Clerk of Superior Court	533,000	533,000	519,020	(13,980)
Probate Court	154,000	154,000	120,799	(33,201)
Magistrate Court	240,000	240,000	343,719	103,719
Sheriff	377,100	377,100	407,775	30,675
Leisure Services	284,000	284,000	227,619	(56,381)
Planning and Zoning	38,500	38,500	41,366	2,866
Emergency medical services	1,002,300	1,002,300	1,497,453	495,153
Animal Services	40,350	50,350	47,206	(3,144)
Solid waste tipping fees	801,500	801,500	832,472	30,972
Commissions on taxes, tags & titles	912,000	912,000	936,484	24,484
Subdivision street lights fee	540,000	540,000	537,251	(2,749)
Other charges for services	142,147	70,147	79,258	9,111
Total charges for services	<u>5,064,897</u>	<u>5,002,897</u>	<u>5,590,422</u>	<u>587,525</u>

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

(Continued)

BARROW COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Fines and forfeitures:				
Clerk of Superior Court	460,000	460,000	557,451	97,451
Probate Court	850,000	850,000	630,857	(219,143)
Magistrate Court	98,200	98,200	103,536	5,336
District Attorney	155,000	155,000	133,333	(21,667)
Other fines and forfeitures	84,000	76,282	55,764	(20,518)
Late tag penalties	54,000	54,000	55,355	1,355
Jail surcharge	-	-	238,421	238,421
Total fines and forfeitures	<u>1,701,200</u>	<u>1,693,482</u>	<u>1,774,717</u>	<u>81,235</u>
Investment income	<u>45,135</u>	<u>45,135</u>	<u>53,093</u>	<u>7,958</u>
Other revenues	<u>155,872</u>	<u>407,523</u>	<u>471,323</u>	<u>63,800</u>
Total revenues	<u>31,417,091</u>	<u>31,200,120</u>	<u>32,629,784</u>	<u>1,429,664</u>
EXPENDITURES				
Current:				
General government:				
Governing Body	76,933	76,933	71,913	5,020
Clerk of Commission	65,680	65,680	64,052	1,628
Commission Chairperson	87,456	87,456	84,132	3,324
Chief Administrator	122,275	122,275	118,280	3,995
Elections	190,516	190,516	176,528	13,988
Financial administration	471,786	456,787	451,847	4,940
Licensing	196,366	148,108	142,199	5,909
Purchasing	86,791	86,791	83,044	3,747
County Attorney	200,000	415,000	414,541	459
Data processing/MIS	255,197	255,197	241,425	13,772
Human Resources	198,147	197,147	171,060	26,087
Tax Commissioner	529,433	536,021	519,534	16,487
Tax Assessor	533,025	526,582	515,488	11,094
Board of equalization	2,938	20,718	1,970	18,748
Insurance	845,000	846,000	845,115	885
Building and grounds	1,196,707	1,415,714	1,283,552	132,162
Engineering	155,015	155,015	150,102	4,913
Northeast Georgia RDC - Dues	70,000	70,000	69,367	633
Total general government	<u>5,283,265</u>	<u>5,671,940</u>	<u>5,404,149</u>	<u>267,791</u>
Judicial:				
Superior Court	441,140	400,639	361,918	38,721
Clerk of Superior Court	575,573	596,293	583,798	12,495
District Attorney	671,092	671,954	667,696	4,258
Magistrate Court	256,943	272,298	259,751	12,547
Probate Court	351,689	351,689	347,054	4,635
Juvenile Court	190,136	189,636	189,080	556
Indigent Defense	331,291	331,291	308,163	23,128
Total judicial	<u>2,817,864</u>	<u>2,813,800</u>	<u>2,717,460</u>	<u>96,340</u>

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

(Continued)

**BARROW COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety:				
Sheriff	6,242,998	6,340,908	6,259,666	81,242
Detention Center	5,574,132	5,624,132	5,613,509	10,623
Fire and Emergency Medical Services	5,238,496	5,328,496	5,326,918	1,578
Coroner	65,565	65,565	48,862	16,703
Animal control	438,512	408,512	365,658	42,854
Emergency Management Agency	19,055	1,715	1,692	23
Total public safety	<u>17,578,758</u>	<u>17,769,328</u>	<u>17,616,305</u>	<u>153,023</u>
Public works:				
Public Works Administration	493,000	493,000	477,642	15,358
Highways and Streets	1,209,142	1,156,401	1,076,872	79,529
Maintenance and Shop	106,957	106,957	106,568	389
Total public works	<u>1,809,099</u>	<u>1,756,358</u>	<u>1,661,082</u>	<u>95,276</u>
Health and welfare:				
Health Department	196,872	196,872	196,872	-
Advantage Behavioral	4,154	4,154	4,154	-
Dept of Family and Children	50,000	50,000	40,572	9,428
Funeral Home - Indigent	500	500	500	-
Aging program	271,361	115,961	107,100	8,861
Mental Center	3,000	3,000	3,000	-
Total health and welfare	<u>525,887</u>	<u>370,487</u>	<u>352,198</u>	<u>18,289</u>
Culture and recreation:				
Leisure Services	702,600	692,600	644,657	47,943
Piedmont Regional Library	55,728	55,728	55,728	-
Total culture and recreation	<u>758,328</u>	<u>748,328</u>	<u>700,385</u>	<u>47,943</u>
Housing and development:				
Keep Barrow Beautiful	18,380	18,380	17,179	1,201
Extension service	31,997	31,298	26,527	4,771
Soil conservation	4,000	4,000	4,000	-
Forrest resources	4,660	5,359	5,359	-
Planning and Zoning	180,735	180,735	172,269	8,466
GIS	82,924	79,403	73,781	5,622
Industrial Dev Authority	20,000	20,000	20,000	-
Total housing and development	<u>342,696</u>	<u>339,175</u>	<u>319,115</u>	<u>20,060</u>

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

(Continued)

**BARROW COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Intergovernmental:				
Payments to joint and other government agencies	<u>1,201,179</u>	<u>1,201,179</u>	<u>1,169,711</u>	<u>31,468</u>
Debt service:				
Principal	483,944	483,955	483,955	-
Interest	<u>10,583</u>	<u>10,572</u>	<u>10,572</u>	<u>-</u>
Total debt service	<u>494,527</u>	<u>494,527</u>	<u>494,527</u>	<u>-</u>
Total expenditures	<u>30,811,603</u>	<u>31,165,122</u>	<u>30,434,932</u>	<u>730,190</u>
Excess (deficiency) of revenues over (under) expenditures	<u>605,488</u>	<u>34,998</u>	<u>2,194,852</u>	<u>2,159,854</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,406	4,406	4,406	-
Proceeds from sale of capital assets	50,000	50,000	-	(50,000)
Transfers out	<u>(659,894)</u>	<u>(659,894)</u>	<u>-</u>	<u>659,894</u>
Total other financing uses	<u>(605,488)</u>	<u>(605,488)</u>	<u>4,406</u>	<u>609,894</u>
Net change in fund balances	-	(570,490)	2,199,258	2,769,748
Fund balance - beginning, as restated	<u>4,544,466</u>	<u>4,544,466</u>	<u>4,544,466</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 4,544,466</u>	<u>\$ 3,973,976</u>	<u>\$ 6,743,724</u>	<u>\$ 2,769,748</u>

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

BARROW COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2011

	Business-type Activities - Enterprise Funds			Total
	Sewerage Treatment Fund	Water Transmission Fund	Nonmajor Enterprise Fund- Stormwater	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 231,168	\$ 121,187	\$ 363,791	\$ 716,146
Accounts receivable, net of allowances	455,349	126,429	56,342	638,120
Due from other governments	63,640	-	-	63,640
Total current assets	750,157	247,616	420,133	1,417,906
Noncurrent assets:				
Capital assets:				
Land	1,055,300	107,902	-	1,163,202
Buildings	10,143,471	-	-	10,143,471
Infrastructure and intangible assets	24,016,964	31,064,639	-	55,081,603
Site improvements	240,502	-	-	240,502
Machinery and equipment	318,795	56,265	67,378	442,438
Construction in progress	2,024,421	-	-	2,024,421
Total capital assets	37,799,453	31,228,806	67,378	69,095,637
Less accumulated depreciation	(6,602,120)	(6,738,154)	(56,979)	(13,397,253)
Total noncurrent assets	31,197,333	24,490,652	10,399	55,698,384
Total assets	31,947,490	24,738,268	430,532	57,116,290
LIABILITIES				
Current liabilities:				
Accounts payable	17,826	139,807	4,192	161,825
Salaries and wages payable	5,810	1,426	2,874	10,110
Accrued liabilities	20,632	4,741	-	25,373
Due to other funds	111,953	155,335	-	267,288
Due to component units	209	141,498	-	141,707
Retainage payable	10,000	-	-	10,000
Accrued interest payable	34,250	62,427	-	96,677
Compensated absences payable	13,515	1,071	7,348	21,934
Unearned revenue	403,500	-	-	403,500
Contracts payable	148,975	684,740	-	833,715
Total current liabilities	766,670	1,191,045	14,414	1,972,129
Long-term liabilities:				
Compensated absences payable	3,379	268	1,837	5,484
Notes payable	2,854,549	-	-	2,854,549
Contracts payable	7,723,796	15,122,436	-	22,846,232
Total long-term liabilities	10,581,724	15,122,704	1,837	25,706,265
Total liabilities	11,348,394	16,313,749	16,251	27,678,394
NET ASSETS				
Invested in capital assets, net of related debt	20,470,013	8,683,476	10,399	29,163,888
Unrestricted	129,083	(258,957)	403,882	274,008
Total net assets	\$ 20,599,096	\$ 8,424,519	\$ 414,281	\$ 29,437,896

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

BARROW COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Sewerage Treatment Fund</u>	<u>Water Transmission Fund</u>	<u>Nonmajor Enterprise Fund- Stormwater</u>	<u>Totals</u>
Operating revenues:				
Charges for services	\$ 1,190,608	\$ 1,478,307	\$ 472,163	\$ 3,141,078
Other revenues	<u>60,867</u>	<u>-</u>	<u>-</u>	<u>60,867</u>
Total operating revenues	<u>1,251,475</u>	<u>1,478,307</u>	<u>472,163</u>	<u>3,201,945</u>
Operating expenses:				
Personnel costs	202,594	49,466	96,427	348,487
Contracted services	49,941	402,363	320,229	772,533
Professional and technical services	164,605	-	21,139	185,744
Purchased water	-	499,060	-	499,060
Supplies	149,615	6,601	10,914	167,130
Other operating expenses	76,500	42,855	5,369	124,724
Depreciation	<u>968,449</u>	<u>740,295</u>	<u>866</u>	<u>1,709,610</u>
Total operating expenses	<u>1,611,704</u>	<u>1,740,640</u>	<u>454,944</u>	<u>3,807,288</u>
Operating income (loss)	<u>(360,229)</u>	<u>(262,333)</u>	<u>17,219</u>	<u>(605,343)</u>
Nonoperating income (expenses)				
Interest income	337	323	-	660
Interest expense	<u>(141,462)</u>	<u>(768,334)</u>	<u>-</u>	<u>(909,796)</u>
Total nonoperating income (expenses)	<u>(141,125)</u>	<u>(768,011)</u>	<u>-</u>	<u>(909,136)</u>
Income (loss) before contributions and transfers	(501,354)	(1,030,344)	17,219	(1,514,479)
Capital contributions - from developers	520,680	-	-	520,680
Capital contributions - from other funds	8,666	-	-	8,666
Transfers in	-	900,000	-	900,000
Transfers out	<u>(4,406)</u>	<u>-</u>	<u>-</u>	<u>(4,406)</u>
Change in net assets	23,586	(130,344)	17,219	(89,539)
Total net assets - beginning, as restated	<u>20,575,510</u>	<u>8,554,863</u>	<u>397,062</u>	<u>29,527,435</u>
Total net assets - ending	<u>\$ 20,599,096</u>	<u>\$ 8,424,519</u>	<u>\$ 414,281</u>	<u>\$ 29,437,896</u>

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

**BARROW COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total</u>
	<u>Sewerage Treatment Fund</u>	<u>Water Transmission Fund</u>	<u>Nonmajor Enterprise Fund- Stormwater</u>	
Cash flows from operating activities:				
Receipts from customers and users	\$ 876,607	\$ 1,461,246	\$ 440,049	\$ 2,777,902
Payments to employees	(200,400)	(49,144)	(98,642)	(348,186)
Payments to suppliers for goods and services provided	(256,406)	(1,007,509)	(353,593)	(1,617,508)
Net cash provided by (used in) operating activities	<u>419,801</u>	<u>404,593</u>	<u>(12,186)</u>	<u>812,208</u>
Cash flows from noncapital financing activities:				
Transfer to other funds	(4,406)	-	-	(4,406)
Transfer from other funds	-	900,000	-	900,000
Net cash provided by (used in) noncapital financing activities	<u>(4,406)</u>	<u>900,000</u>	<u>-</u>	<u>895,594</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(2,870,805)	(9,201)	(7,304)	(2,887,310)
Principal payments on contracts payable	(143,025)	(658,476)	-	(801,501)
Proceeds from long-term borrowings	2,816,303	-	-	2,816,303
Interest payments on long-term borrowings	(182,051)	(705,907)	-	(887,958)
Net cash used in capital and related financing activities	<u>(379,578)</u>	<u>(1,373,584)</u>	<u>(7,304)</u>	<u>(1,760,466)</u>
Cash flows from investing activities:				
Interest received	337	323	-	660
Net cash provided by investing activities	<u>337</u>	<u>323</u>	<u>-</u>	<u>660</u>
Net increase (decrease) in cash and cash equivalents	36,154	(68,668)	(19,490)	(52,004)
Cash and cash equivalents, beginning of fiscal year	195,014	189,855	383,281	768,150
Cash and cash equivalents, end of fiscal year	<u>\$ 231,168</u>	<u>\$ 121,187</u>	<u>363,791</u>	<u>\$ 716,146</u>
Reconciliation of operating income (loss) to net cash provided in operating activities:				
Operating income (loss)	\$ (360,229)	\$ (262,333)	17,219	\$ (605,343)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	968,449	740,295	866	1,709,610
Decrease (increase) in accounts receivable	(344,225)	(17,061)	(32,114)	(393,400)
Decrease (increase) in due from other governments	(30,643)	-	-	(30,643)
Decrease (Increase) in due from other funds and component units	166,842	115,010	-	281,852
Increase (decrease) in accounts payable and accrued liabilities	26,646	(56,844)	4,058	(26,140)
Increase (decrease) in salaries, wages, and compensated absences payable	2,194	322	(2,215)	301
Increase (decrease) in due to other funds and component units	(9,233)	(114,796)	-	(124,029)
Net cash provided by (used in) operating activities	<u>\$ 419,801</u>	<u>\$ 404,593</u>	<u>(12,186)</u>	<u>\$ 812,208</u>
Noncash capital financing activities:				
Capital assets acquired through contributions from other funds	\$ 8,666	\$ -	\$ -	\$ 8,666

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

BARROW COUNTY, GEORGIA
BALANCE SHEET- AGENCY FUNDS
SEPTEMBER 30, 2011

ASSETS	Agency Funds
Cash	\$ 2,220,778
Investments	118,780
Taxes receivables	<u>4,669,634</u>
Total assets	<u>\$ 7,009,192</u>
LIABILITIES	
Due to others	<u>\$ 7,009,192</u>
Total liabilities	<u>\$ 7,009,192</u>

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

BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Barrow County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (the "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

The County operates under a County Commission form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Barrow County, Georgia (the "primary government") and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, the financial statements of the component units are discretely presented in the financial statements.

The Barrow County Board of Health (the "Board of Health") provides various health services for the citizens of Barrow County under a contract with the Georgia Department of Human Resources (DHR). The Health Department receives financial support from Barrow County, Georgia, the State of Georgia and the Federal Government. The County Commission appoints a majority of the Board of Directors of the Board of Health. The County has the authority to modify and approve the Board of Health's budget and the ability to approve health service fees. The presentation of the Board of Health's financial information was taken from its audited financial report at June 30, 2011 and is presented in the County financial statements as a governmental type component unit. Separate financial statements for the Barrow County Board of Health can be obtained at the Barrow County Health Department, 233 E. Broad Street, Suite A, Winder, Georgia 30680.

An Industrial Building Authority (IBA) was created on January 30, 1962 to encourage and promote the expansion and development of industrial and commercial facilities in Barrow County, so as to relieve possible unemployment within its boundaries. The IBA has five (5) board members; the Chairman of the Barrow County Chamber of Commerce, the Chairman of Barrow County, Mayor of the City of Winder, one (1) member appointed by the County as approved by the Board, one (1) member appointed by the City of Winder as approved by the Council. The IBA is dependent upon the County for funding its long-term obligations. Separate financial statements are not prepared for the IBA.

A Joint Development Authority (JDA) was created on October 30, 1981 between Barrow County Board of Commissioners and the Mayor of the City of Winder for the development and promotion of public good and general welfare trade, commerce, industry, and employment activities in the City of Winder and Barrow County. The JDA has seven (7) board members; the Chairman of the Barrow County Chamber of Commerce, the Chairman of Barrow County, Mayor of the City of Winder, two (2) members appointed by the County as approved by the Board, two (2) member appointed by the City of Winder as approved by the Council. The JDA is dependent upon the County for funding its long-term obligations. Separate financial statements are not prepared for the JDA.

The Barrow County Water and Sewage Authority (the "Water Authority") operates as a separate statutory authority comprised of a seven-member board that oversees the operations of the Water Authority. The Board is appointed by the County Commissioners and as of October 1, 2004, Barrow County began providing services related to management of the Water Authority's water system after the Water Authority's contract with Jones and Goulding, Inc. was not renewed during fiscal year 2004. The Water Authority is presented as an enterprise fund of the County. Separate financial statements are not prepared by the Water Authority.

BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Barrow County Airport Authority (the "Airport Authority") operates as a separate statutory authority comprised of a seven-member board that oversees the operations of the airport. The Airport Authority is dependent upon the County for funding, and its board is appointed by the County Commissioners. Separate financial statements are not prepared for the Airport Authority.

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those 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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Agency funds are custodial in nature and do not present results of operations or have a measurement focus but do use the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

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, sales taxes, intergovernmental grants, and investment income associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year, if available. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **Capital Projects SPLOST Fund** accounts for the financial resources provided from the 2005 General Obligation Sales Tax Bonds and the 2001 and 2005 one percent Special Purpose Local Option Sales Tax. Such resources are used for roads, streets, and bridges, recreational facilities, Bear Creek debt payments, water projects, and sewer lines. The 2005 SPLOST is used for roads, Bear Creek debt payments, new Criminal Justice Facility, Animal Control Facility, Cultural Arts Facility, E911 Facility, Fire Station(s), Fire Training Center, Courthouse Renovations, Health Department, West Winder By-Pass, recreational facilities, sewer facilities and airport improvements. Although 2005 SPLOST was approved by the Citizens of Barrow County during fiscal year 2005, the County did not start collecting these taxes until fiscal year 2006.

The County reports the following major proprietary funds:

The **Sewerage Treatment Fund** accounts for the activities of the sewage treatment plant, sewage pumping stations, and collections systems.

The **Water Transmission Fund** accounts for the activities of the water distribution system.

Additionally, the County reports the following fund types:

Special revenue funds account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. Restricted or committed specific revenue sources should comprise a substantial portion of fund's resources. If revenues are initially received in another fund, they should not be reported as revenues in the fund receiving them; instead, they should be recognized in the special revenue fund where they will be spent. The proceeds from these special revenue sources should be expected to continue to comprise a substantial portion of inflows.

Agency funds – the agency funds are used to account for resources held by the County or its officials in a custodial capacity. The following are the agency funds: Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, Sheriff, and District Attorney.

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.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's water and sewer function and various other functions of the County. Elimination of these charges would distort the direct costs reported for the various functions concerned.

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. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments

Georgia statutes authorize the County to invest in the following: (1) obligations of Georgia or any other State; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by 100% of State or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

E. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Amounts are expected to be repaid within one fiscal year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

F. Prepaid Items

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

G. Management Estimates

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

H. Budgets

Annual appropriated budgets are adopted for all funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are adopted on a basis consistent with generally accepted accounting principles. Capital outlay expenditures are budgeted in each department rather than separately as capital outlay. All appropriations lapse at fiscal year end. Expenditures may not legally exceed budgeted appropriations at the department level (e.g. Administration).

I. Capital Assets

Capital assets, which include property, plant, equipment, intangible, and infrastructure assets, are reported in the government-wide and proprietary fund financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of five years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the County constructs or acquires additional capital assets each fiscal year, including infrastructure, they are capitalized and reported at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government and its component units are depreciated using the straight line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
Improvements	15
Infrastructure	50
Buildings	50
Machinery and Equipment	10
Furniture and Fixtures	10
Vehicles	5
Special Purpose Vehicle	20
Intangible asset- Sew erage Treatment Capacity	22
Intangible asset- Water Capacity Rights	40

J. Inventory

Inventory consists of other supplies, which are recorded as assets at the time of purchase and as expenditures as the supplies are used. These inventories are valued at cost using the first-in, first-out (FIFO) method.

K. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, discretely presented component units, 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 the 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.

BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences

All full-time employees of the County are eligible to accrue personal leave based upon their years of service and position held. Generally, employees are entitled to up to a maximum of 240 hours of accrued personal leave upon termination. Additionally, any accrued personal leave that cannot be utilized shall be credited towards years of service if the employee retires from the County.

In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences", no liability is recorded for non-vesting accumulating rights to receive sick pay benefits as the County does not have a policy for making cash payments for such benefits at employee termination.

All paid time off is accrued when incurred in the government-wide and proprietary 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.

M. Unearned Revenue

Unearned or deferred revenues at the governmental fund level arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue also arise in the governmental fund level, proprietary funds, and government wide level when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet or statement of net assets and revenue is recognized.

N. Fund Balance Determination and Classifications

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 management 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 purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

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

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, 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 a formal vote of the County Board of Commissioners. Only the County's Board of Commissioners may modify or rescind the commitment.

BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance Determination and Classifications (Continued)

Assigned – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The County’s Board of Commissioners has expressly delegated to the County’s Chairman and Chief Financial Officer the authority to assign funds for particular purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Net Assets – Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Restrictions on the government-wide statement of net assets represent amounts segregated to meet debt covenants and State laws.

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance Determination and Classifications (Continued)

The composition of the Fund Balance Classification is as follows:

	<u>General Fund</u>	<u>Capital Projects SPLOST Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Nonspendable:				
Inventory	\$ 32,289	\$ -	\$ -	\$ 32,289
Prepaid items	57,308	-	-	57,308
Subtotals	<u>89,597</u>	<u>-</u>	<u>-</u>	<u>89,597</u>
Restricted:				
Emergency services	-	-	22,365	22,365
Law enforcement	-	-	63,505	63,505
Law library	-	-	172,720	172,720
Capital projects	-	18,512,230	-	18,512,230
Economic activities	-	-	39,071	39,071
Subtotals	<u>-</u>	<u>18,512,230</u>	<u>297,661</u>	<u>18,809,891</u>
Committed:				
Inmate use	-	-	28,867	28,867
Jail construction	489,932	-	-	489,932
Building maintenance	154,779	-	-	154,779
Parks and recreation	19,780	-	-	19,780
Subtotals	<u>664,491</u>	<u>-</u>	<u>28,867</u>	<u>693,358</u>
Assigned:				
Emergency services	-	-	191,216	191,216
Law enforcement	-	-	19,279	19,279
Computer system	28,250	-	-	28,250
Highways equipment	22,889	-	-	22,889
Subtotals	<u>51,139</u>	<u>-</u>	<u>210,495</u>	<u>261,634</u>
Unassigned:	<u>5,938,497</u>	<u>-</u>	<u>-</u>	<u>5,938,497</u>
Total Fund Balance	<u><u>\$ 6,743,724</u></u>	<u><u>\$ 18,512,230</u></u>	<u><u>\$ 537,023</u></u>	<u><u>\$ 25,792,977</u></u>

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 2. LEGAL COMPLIANCE- BUDGETS

Barrow County, Georgia follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. The County's annual budgets are prepared based on anticipated revenues and expected expenditures. Revenue anticipation, generally conservative, is designed to help insure fiscal responsibility and maintain a balanced budget. Budgeting is the responsibility of the Commission Chairman and the County Commissioners.
2. The Financial Administration Office compiles the budget requests that are submitted by the department directors and elected officials.
3. Public hearings are conducted to obtain taxpayer comments.
4. Prior to September 30, the budget is legally enacted by passage of an ordinance.
5. Budgets of the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Capital Projects SPLOST Fund is adopted on a project length budget approved by the citizens of Barrow County. The County prepares budgetary estimates for the enterprise funds. The budgetary estimates, upon which such budgets are adopted, are retained in memorandum form for budget control purpose and are utilized in the preparation of comparative operating statements. The level of budgetary control is the department level.

Excess of Expenditure over Appropriations:

The Revolving Loan Special Revenue Fund – General Government expenditures exceed budget by \$210,157. This was due to bad debt being written off in fiscal year 2011 that was not budgeted for.

NOTE 3. DEPOSITS AND INVESTMENTS

As of September 30, 2011, the County and its component units had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificates of deposit	February 7, 2012 – August 19, 2012	\$1,661,961
Georgia Fund 1	58 days -weighted average maturity	13,782,670

As of fiscal year end, the General Fund and Capital Projects Funds have Georgia Fund 1 investments recorded as investments (\$1,503,731 and \$7,882,148, respectively) while the Water and Sewage Authority discretely presented component unit has Georgia Fund 1 investments recorded as cash equivalents (\$4,396,791). The General Fund, the Airport Authority discretely presented component unit, and the County's Agency Funds (Sheriff Fund) are reflecting as investments certificates of deposit in the amounts of \$1,016,602, \$526,579, and \$118,780, respectively.

Interest rate risk- The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. State statues authorize the County to invest in obligations of the State of Georgia or other States; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers acceptances; the local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAM rated money market funds and is regulated by the Georgia Office of State Treasurer. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1 per share and is reported at this value at fiscal year-end. The regulatory oversight agency for Georgia Fund 1 is the Office of Treasury and Fiscal Services of the State of Georgia.

As of September 30, 2011, the City's investment in Georgia Fund 1 was rated AAAM by Standard & Poor's. Funds included in this Pool are not required to be collateralized.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2011, the County's accounts were fully collateralized according to State statutes.

NOTE 4. RECEIVABLES

Receivables at September 30, 2011 for the County's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

A. Primary Government

	<u>General</u>	<u>Capital Projects SPLOST</u>	<u>Sewerage Treatment</u>	<u>Water Transmission</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 1,875,728	\$ 673,016	\$ -	\$ -	\$ -	\$ 2,548,744
Accounts	991,314	-	531,849	126,429	216,660	1,866,252
Interest	<u>1,469</u>	<u>1,393</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>2,878</u>
Gross receivables	2,868,511	674,409	531,849	126,429	216,676	4,417,874
Less allowance for uncollectibles	<u>(282,686)</u>	<u>-</u>	<u>(76,500)</u>	<u>-</u>	<u>-</u>	<u>(359,186)</u>
Net total receivables	<u>\$ 2,585,825</u>	<u>\$ 674,409</u>	<u>\$ 455,349</u>	<u>\$ 126,429</u>	<u>\$ 216,676</u>	<u>\$ 4,058,688</u>

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 4. RECEIVABLES (CONTINUED)

B. Discretely Presented Component Units

	Board of Health	Water and Sewage Authority	Airport Authority	Total
Receivables:				
Accounts	\$ 141,218	\$ 337,466	\$ 1,249	\$ 479,933
Interest	-	-	391	391
	141,218	337,466	1,640	480,324
Gross receivables				
Less allowance for uncollectibles	-	(30,800)	-	(30,800)
	-	(30,800)	-	(30,800)
Net total receivables	\$ 141,218	\$ 306,666	\$ 1,640	\$ 449,524

The County's property taxes were levied on the assessed values of all real and personal property with utilities, including mobile homes and motor vehicles, located in the County. Property taxes are recognized as revenue when levied to the extent they result in current receivables (i.e. amounts received within 60 days of the fiscal year-end). Property taxes are recorded as receivable and deferred revenues when assessed. Revenues for the County's Stormwater enterprise fund, residential and commercial Stormwater fees are billed annually on the same date as the property tax bill as noted below.

Levy date:	October 10, 2010
Tax bills mailed:	October 5, 2010
Payment due date:	December 10, 2010
Delinquency date:	December 11, 2010
Lien date:	Varies beginning in October 2011

BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 5. CAPITAL ASSETS

A. Primary Government:

	Restated Balance September 30, 2010	Increases	Decreases	Transfers	Balance September 30, 2011
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 5,221,704	\$ -	\$ -	\$ -	\$ 5,221,704
Construction in Progress	6,666,336	1,069,131	(12,243)	(2,252,932)	5,470,292
Total	<u>11,888,040</u>	<u>1,069,131</u>	<u>(12,243)</u>	<u>(2,252,932)</u>	<u>10,691,996</u>
Capital assets, being depreciated:					
Buildings	72,490,873	-	-	72,545	72,563,418
Land Improvements	3,982,479	2,851	-	62,290	4,047,620
Furniture & Equipment	5,837,730	25,082	-	-	5,862,812
Vehicles	7,695,632	50,000	(89,599)	(16,737)	7,639,296
Infrastructure	53,609,776	-	-	2,109,431	55,719,207
Total	<u>143,616,490</u>	<u>77,933</u>	<u>(89,599)</u>	<u>2,227,529</u>	<u>145,832,353</u>
Less accumulated depreciation for:					
Buildings	(9,628,299)	(1,527,563)	-	-	(11,155,862)
Land Improvements	(1,314,251)	(224,387)	-	-	(1,538,638)
Furniture & Equipment	(3,572,900)	(385,565)	-	-	(3,958,465)
Vehicles	(5,397,395)	(616,622)	84,184	16,737	(5,913,096)
Infrastructure	(24,399,169)	(1,119,168)	-	-	(25,518,337)
Total	<u>(44,312,014)</u>	<u>(3,873,305)</u>	<u>84,184</u>	<u>16,737</u>	<u>(48,084,398)</u>
Total capital assets, being depreciated, net	<u>99,304,476</u>	<u>(3,795,372)</u>	<u>(5,415)</u>	<u>2,244,266</u>	<u>97,747,955</u>
Governmental Activities capital assets, net	<u>\$ 111,192,516</u>	<u>\$ (2,726,241)</u>	<u>\$ (17,658)</u>	<u>\$ (8,666)</u>	<u>\$ 108,439,951</u>

BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Restated Balance September 30, 2010	Increases	Decreases	Transfers	Balance September 30, 2011
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 1,163,202	\$ -	\$ -	\$ -	\$ 1,163,202
Construction in Progress	1,130,904	2,967,352	-	(2,073,835)	2,024,421
Total	<u>2,294,106</u>	<u>2,967,352</u>	<u>-</u>	<u>(2,073,835)</u>	<u>3,187,623</u>
Capital assets, being depreciated:					
Buildings	10,134,805	-	-	8,666	10,143,471
Site Improvements	240,502	-	-	-	240,502
Furniture & Equipment	278,501	7,305	-	-	285,806
Vehicles	139,895	-	-	16,737	156,632
Intangible assets	31,881,191	-	-	-	31,881,191
Sewer Systems Infrastructure	20,605,896	520,681	-	2,073,835	23,200,412
Total	<u>63,280,790</u>	<u>527,986</u>	<u>-</u>	<u>2,099,238</u>	<u>65,908,014</u>
Less accumulated depreciation for:					
Buildings	(1,575,935)	(216,389)	-	-	(1,792,324)
Site Improvements	(213,748)	(15,405)	-	-	(229,153)
Furniture & Equipment	(168,260)	(20,013)	-	-	(188,273)
Vehicles	(132,673)	(5,580)	-	(16,737)	(154,990)
Intangible assets	(6,643,721)	(1,032,630)	-	-	(7,676,351)
Sewer System Infrastructure	(2,936,569)	(419,593)	-	-	(3,356,162)
Total	<u>(11,670,906)</u>	<u>(1,709,610)</u>	<u>-</u>	<u>(16,737)</u>	<u>(13,397,253)</u>
Total capital assets, being depreciated, net	<u>51,609,884</u>	<u>(1,181,624)</u>	<u>-</u>	<u>2,082,501</u>	<u>52,510,761</u>
Governmental Activities capital assets, net	<u>\$ 53,903,990</u>	<u>\$ 1,785,728</u>	<u>\$ -</u>	<u>\$ 8,666</u>	<u>\$ 55,698,384</u>

As of the prior fiscal year, the County recorded intangible assets, net, as other assets but did not reflect these assets in the capital assets footnotes. Therefore, the beginning balance has been modified to reflect the intangible assets at gross (total cost and accumulated depreciation) in accordance with GASB 51, *Accounting and Financial Reporting for Intangible Assets*. For further discussions about the intangible assets and related liabilities, see Note 7, Other Long-term Liabilities.

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental Activities:

General government	\$ 342,806
Judicial	3,538
Public safety	1,865,610
Public works	1,395,847
Health and welfare	93,048
Culture and recreation	162,327
Housing and development	<u>10,129</u>

Total depreciation expense - governmental activities \$ 3,873,305

Business-type activities:

Sewerage treatment	\$ 968,449
Water	740,295
Stormwater	<u>866</u>

Total depreciation expense - business-type activities \$ 1,709,610

B. Discretely Presented Component Unit - Health Department

	<u>Balance September 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2011</u>
Capital assets, being depreciated:				
Machinery and Equipment	\$ 117,224	\$ 2,390		\$ 119,614
Less accumulated depreciation for:				
Machinery and Equipment	<u>(112,546)</u>	<u>(2,595)</u>	<u>-</u>	<u>(115,141)</u>
Total capital assets, being depreciated, net	<u>\$ 4,678</u>	<u>\$ (205)</u>	<u>\$ -</u>	<u>\$ 4,473</u>

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 5. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit- Industrial Building Authority

	Restated Balance September 30, 2010	Increases	Decreases	Balance September 30, 2011
Capital assets, not being depreciated:				
Land	\$ 11,046,379	\$ -	\$ -	\$ 11,046,379
Construction in Progress	<u>92,957</u>	<u>2,520</u>	<u>-</u>	<u>95,477</u>
Total	<u>\$ 11,139,336</u>	<u>\$ 2,520</u>	<u>\$ -</u>	<u>\$ 11,141,856</u>

D. Discretely Presented Component Unit- Joint Development Authority

	Restated Balance September 30, 2010	Increases	Decreases	Balance September 30, 2011
Capital assets, not being depreciated:				
Land	\$ 9,441,384	\$ -	\$ -	\$ 9,441,384
Construction in Progress	<u>53,229</u>	<u>-</u>	<u>-</u>	<u>53,229</u>
Total	<u>\$ 9,494,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,494,613</u>

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 5. CAPITAL ASSETS (CONTINUED)

E. Discretely Presented Component Unit- Airport Authority

	Balance September 30, 2010	Increases	Decreases	Balance September 30, 2011
Capital assets, not being depreciated:				
Land	\$ 3,446,270	\$ 219,500	\$ -	\$ 3,665,770
Total	3,446,270	219,500	-	3,665,770
Capital assets, being depreciated:				
Buildings	2,814,856	-	-	2,814,856
Buildings Improvements	68,068	-	-	68,068
Land improvements	5,071,151	-	-	5,071,151
Furniture and equipment	399,474	-	-	399,474
Vehicles	20,000	-	-	20,000
Total	8,373,549	-	-	8,373,549
Less accumulated depreciation for:				
Buildings	(1,886,626)	(112,594)	-	(1,999,220)
Buildings Improvements	(38,708)	(5,034)	-	(43,742)
Land Improvements	(2,326,369)	(190,356)	-	(2,516,725)
Furniture and equipment	(349,132)	(5,005)	-	(354,137)
Vehicles	(20,000)	-	-	(20,000)
Total	(4,620,835)	(312,989)	-	(4,933,824)
Total capital assets, being depreciated, net	3,752,714	(312,989)	-	3,439,725
Total capital assets, net	\$ 7,198,984	\$ (93,489)	\$ -	\$ 7,105,495

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 5. CAPITAL ASSETS (CONTINUED)

F. Discretely Presented Component Unit- Water & Sewage Authority

	<u>Balance September 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance September 30, 2011</u>
Capital assets, not being depreciated:					
Land	\$ 7,172	\$ 46,168	\$ -	\$ -	\$ 53,340
Construction in Progress	<u>1,067,464</u>	<u>223,653</u>	<u>-</u>	<u>(1,149,786)</u>	<u>141,331</u>
Total	<u>1,074,636</u>	<u>269,821</u>	<u>-</u>	<u>(1,149,786)</u>	<u>194,671</u>
Capital assets, being depreciated:					
Buildings	300,000	-	-	-	300,000
Land Improvements	103,196	-	-	-	103,196
Furniture & Equipment	75,730	-	-	-	75,730
Vehicles	158,558	-	-	-	158,558
Water Sewer Systems	<u>17,225,689</u>	<u>240,000</u>	<u>-</u>	<u>1,149,786</u>	<u>18,615,475</u>
Total	<u>17,863,173</u>	<u>240,000</u>	<u>-</u>	<u>1,149,786</u>	<u>19,252,959</u>
Less accumulated depreciation for:					
Buildings	(3,000)	(6,000)	-	-	(9,000)
Land Improvements	(14,333)	(6,880)	-	-	(21,213)
Furniture & Equipment	(26,288)	(6,379)	-	-	(32,667)
Vehicles	(109,546)	(15,875)	-	-	(125,421)
Water Sewer System	<u>(3,480,817)</u>	<u>(354,275)</u>	<u>-</u>	<u>-</u>	<u>(3,835,092)</u>
Total	<u>(3,633,984)</u>	<u>(389,409)</u>	<u>-</u>	<u>-</u>	<u>(4,023,393)</u>
Total capital assets, being depreciated, net					
	<u>14,229,189</u>	<u>(149,409)</u>	<u>-</u>	<u>1,149,786</u>	<u>15,229,566</u>
Governmental Activities capital assets, net					
	<u>\$ 15,303,825</u>	<u>\$ 120,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,424,237</u>

BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 6. LONG-TERM DEBT AND CAPITAL LEASES

A. Primary Government

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

	<u>Balance September 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2011</u>	<u>Due Within One Year</u>
Governmental activities:					
2005 series general obligations bonds	\$ 52,175,000	\$ -	\$ (2,075,000)	\$ 50,100,000	\$ 2,145,000
Unamortized bond premium	815,066	-	(83,589)	731,477	-
Total general obligation bonds	<u>52,990,066</u>	-	<u>(2,158,589)</u>	<u>50,831,477</u>	<u>2,145,000</u>
Net pension obligation	-	1,461,287	(1,240,007)	221,280	-
Net OPEB obligation	449,834	482,442	(77,914)	854,362	-
Capital leases	826,752	-	(608,912)	217,840	217,840
Compensated absences	<u>1,262,455</u>	<u>1,314,113</u>	<u>(1,347,811)</u>	<u>1,228,757</u>	<u>983,006</u>
Governmental activities long-term liabilities	<u>\$ 55,529,107</u>	<u>\$ 3,257,842</u>	<u>\$ (5,433,233)</u>	<u>\$ 53,353,716</u>	<u>\$ 3,345,846</u>
	<u>Balance September 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2011</u>	<u>Due Within One Year</u>
Business-type activities					
Contracts payable	\$ 24,481,448	-	(801,501)	\$ 23,679,947	\$ 833,715
Notes payable	-	2,854,549	-	2,854,549	-
Compensated absences	<u>25,255</u>	<u>22,960</u>	<u>(20,797)</u>	<u>27,418</u>	<u>21,934</u>
Total	<u>\$ 24,506,703</u>	<u>\$ 2,877,509</u>	<u>\$ (822,298)</u>	<u>\$ 26,561,914</u>	<u>\$ 855,649</u>

For Governmental activities, compensated absences, capital leases, net pension obligation, and net OPEB obligation are generally liquidated by the General Fund.

General Obligation Bonds. During the fiscal year ended September 30, 2006, the County issued a \$58,000,000 General Obligation Sales Tax Bond, Series 2005 (the "Series 2005 Bond"), with an interest rate of 3.5% to 5.00%. The Series 2005 Bond was issued for the purpose of providing funds to pay or to be applied toward the cost of capital outlay projects. The County made interest payments in April and October, with the principal due in October. The principal payments are to be made through October 2026.

BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 6. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Annual debt service requirements for the maturity of the Series 2005 Bond are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,145,000	\$ 2,325,910	\$ 4,470,910
2013	2,220,000	2,233,248	4,453,248
2014	2,335,000	2,130,472	4,465,472
2015	2,450,000	2,010,848	4,460,848
2016	2,575,000	1,894,879	4,469,879
2017-2021	14,925,000	7,684,165	22,609,165
2022-2026	19,050,000	3,573,750	22,623,750
2027	<u>4,400,000</u>	<u>110,000</u>	<u>4,510,000</u>
Total	<u>\$ 50,100,000</u>	<u>\$ 21,963,272</u>	<u>\$ 72,063,272</u>

Capital Leases

The County has entered into capital lease agreements for financing the acquisition of equipment. The lease agreement qualify as a capital lease for accounting purposes (title transfers at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The County had \$3,708,000 of leased assets under capital leases as of September 30, 2011.

The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments as of September 30, 2011:

2012	<u>\$ 219,454</u>
Total minimum lease payments	219,454
Less amount representing interest	<u>(1,614)</u>
Present value of future minimum lease payments	217,840
Less current maturities	<u>(217,840)</u>
Net of current maturities	<u>\$ -</u>

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 6. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

B. Discretely Presented Component Units – Governmental Activities

Revenue Bonds

Governmental activities - Discretely presented - component units:	Restated Balance September 30, 2010	Additions	Reductions	Balance September 30, 2011	Due Within One Year
Contracts payable					
Series 2006 Revenue Bonds	\$ 15,100,000	\$ -	\$ (355,000)	\$ 14,745,000	\$ 375,000
Series 2010 Revenue Bonds	12,125,000	-	-	12,125,000	-
Unamortized discount	(187,290)	-	13,072	(174,218)	-
Deferred gain on refunding	<u>252,967</u>	-	<u>(17,390)</u>	<u>235,577</u>	-
Total	<u>\$ 27,290,677</u>	<u>\$ -</u>	<u>\$ (359,318)</u>	<u>\$ 26,931,359</u>	<u>\$ 375,000</u>

In June 2006, the County entered into an intergovernmental agreement with the Barrow County Industrial Building Authority (BCIBA). In June 2006, the BCIBA issued \$15,440,000 of Taxable Revenue Bonds (Barrow County Economic Development Project), Series 2006 with annual interest rates ranging from 5.4% to 6.2%. The proceeds were used to acquire 275.62 acres of property on Highway 53 and Highway 316. This land will be used for future development. Barrow County has agreed to provide debt servicing for the bonded debt. Revenue Bonds payable recorded for the BCIBA at September 30, 2011 are as follows:

Remaining bonds through fiscal year 2032:	\$ 14,745,000
Less: Unamortized discount	<u>(39,695)</u>
Total	14,705,305
Current	<u>375,000</u>
Long-term	<u>\$ 14,330,305</u>

Annual debt service requirements for the maturity of the Series 2006 Bonds as of September 30, 2011 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2012	\$ 375,000	\$ 877,264	\$ 1,252,264
2013	395,000	856,183	1,251,183
2014	420,000	833,770	1,253,770
2015	440,000	809,900	1,249,900
2016	465,000	784,444	1,249,444
2017-2021	2,765,000	3,466,814	6,231,814
2022-2026	3,710,000	2,494,802	6,204,802
2027-2031	4,985,000	1,178,116	6,163,116
2032	<u>1,190,000</u>	<u>36,890</u>	<u>1,226,890</u>
Total	<u>\$ 14,745,000</u>	<u>\$ 11,338,183</u>	<u>\$ 26,083,183</u>

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 6. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

In June 2006, the County entered into an intergovernmental agreement with the Joint Development Authority of Winder-Barrow County, Georgia (JDA). In June 2007, the JDA issued \$12,420,000 of Revenue Bonds Series 2007 with annual interest rates ranging from 3.75% to 4.6%. The proceeds from the sale of the Series 2007 Bonds will be used for the purpose of acquiring and improving land, a portion of which will be used for an industrial park and a portion will be conveyed to the Barrow County Airport Authority for its airport. Barrow County, Georgia has agreed to provide debt servicing for the bonded debt. In September 2010, the government together with the JDA refunded the outstanding balance of the series 2007 JDA Bonds with the 2010 Series in the amount of \$12,420,000. The new bonds were issued at a discount totaled \$12,125,000 with annual interest rates ranging from 1.25% to 3.70%.

Revenue bonds payable recorded in JDA fund at September 30, 2011 are as follows:

Remaining bonds through fiscal year 2027:	\$ 12,125,000
Less: Unamortized discount	(134,523)
Plus: Gain on refunding	<u>235,577</u>
Total	12,226,054
Current	<u>-</u>
Long-term	<u>\$ 12,226,054</u>

Annual debt service requirements for the maturity of the Series 2011 Bonds are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service Requirement</u>
2012	\$ -	\$ 352,955	\$ 352,955
2013	-	352,955	352,955
2014	725,000	348,424	1,073,424
2015	740,000	337,418	1,077,418
2016	750,000	323,443	1,073,443
2017-2021	4,060,000	1,326,363	5,386,363
2022-2026	4,785,000	630,920	5,415,920
2027	<u>1,065,000</u>	<u>19,703</u>	<u>1,084,703</u>
Total	<u>\$ 12,125,000</u>	<u>\$ 3,692,181</u>	<u>\$ 15,817,181</u>

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 6. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

C. Discretely Presented Component Unit- Water and Sewage Authority

The following is the summary of the long-term debt of the Water and Sewage Authority for the fiscal year ended September 30, 2011:

	<u>Beginning Balance 9/30/2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 9/30/2011</u>	<u>Due Within One Year</u>
Revenue Bonds	\$ 10,940,000	\$ -	\$ (605,000)	\$ 10,335,000	\$ 635,000
Compensated Absences	<u>26,361</u>	<u>25,300</u>	<u>(22,742)</u>	<u>28,919</u>	<u>23,135</u>
Total	<u>\$ 10,966,361</u>	<u>\$ 25,300</u>	<u>\$ (627,742)</u>	<u>\$ 10,363,919</u>	<u>\$ 658,135</u>

REVENUE BONDS:

The Authority issued bonds where the Authority pledges Authority revenues derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at September 30, 2011 are as follows:

	<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding</u>
Water system improvements	2005	3.72%	2/1: 8/1	10/1/2005	8/1/2025	<u>\$ 10,000,000</u>	<u>\$ 7,785,000</u>
Water system improvements	2002	4.70%	2/1: 8/1	2/1/2002	8/1/2021	4,230,000	<u>2,550,000</u>
							10,335,000
				Current maturities			<u>(635,000)</u>
				Long-term maturities			<u>\$ 9,700,000</u>

Revenue bonds debt service requirements to maturity as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 635,000	\$ 409,452	\$ 1,044,452
2013	660,000	383,821	1,043,821
2014	685,000	357,162	1,042,162
2015	715,000	329,475	1,044,475
2016	745,000	300,574	1,045,574
2017-2021	4,230,000	1,024,515	5,254,515
2022-2025	<u>2,665,000</u>	<u>252,588</u>	<u>2,917,588</u>
Total	\$ 10,335,000	\$ 3,057,587	\$ 13,392,587
Less current portion	<u>(635,000)</u>		
	<u>\$ 9,700,000</u>		

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 7. OTHER LONG-TERM LIABILITIES

In July 1996, the County entered into intergovernmental agreements with 50-year terms with the Upper Oconee Basin Water Authority (the "UOBWA"). Other counties involved include (at varying levels of participation) Athens-Clarke County, Jackson County, and Oconee County. The purpose of the agreements is to provide water resources to the participating counties.

Since the formation of the UOBWA, there has been construction of a reservoir and water treatment facility that will provide water for the counties involved and additional agreements have been entered into between the County and the UOBWA. In December 1997, the UOBWA issued \$60,770,000 of Water Revenue Bonds, Series 1997 with annual interest rates varying from 4.25% to 5.25%. The proceeds were used for the construction of the various projects mentioned herein. Barrow County has agreed to provide debt servicing for 37.52% of the bonded debt. Consequently, a contract payable amount is reflected in the Water Fund for the County's share of the bonded debt in an original amount of \$21,465,192. The balance of the UOBWA revenue bonds at September 30, 2011 in the amount of \$42,130,000 of which the County's share is \$15,807,176.

A maturities schedule of the contract payable for the County's portion of the annual debt service of the UOBWA is as follows for each of the fiscal years ending September 30:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 684,740	\$ 749,129	\$ 1,433,869
2013	709,128	725,163	1,434,291
2014	735,392	698,374	1,433,766
2015	761,656	672,635	1,434,291
2016	801,052	633,600	1,434,652
2017-2021	4,641,224	2,526,128	7,167,352
2022-2026	5,928,160	1,257,202	7,185,362
2027	1,545,824	67,630	1,613,454
Total	\$ 15,807,176	\$ 7,329,861	\$ 23,137,037

The County has obtained certain water rights associated with the liability addressed above. These water rights have been determined to be treated as an intangible assets in accordance with GASB Statement No. 51. The UOBWA began operations and serving county participants on July 1, 2002, and the amortization period has been determined to originate on that date. The asset's original cost is \$21,465,192 with accumulated amortizations of \$5,072,352 resulting in a carrying value of \$16,392,840 as of September 30, 2011, and is reflected in the Water Fund as a capital asset.

In June 2006, the County entered into an intergovernmental agreement with a 22-year term with the City of Winder, Georgia (City") to obtain sewage treatment capacity rights at the City's wastewater treatment facility. The contract price in the total amount of \$10,416,000 is based upon the City's cost to construct the upgrade to the City's current facility in the amount of \$5,832,000, plus a shared capacity charge in the amount of \$4,584,000. The shared capacity payments are based on the number of tap fees sold by the County. The County will pay the City \$1,500 for each residential equivalent unit of wastewater capacity until the \$4,584,000 is paid in full. The Balance of the County's obligation as September 30, 2011 is \$3,293,273 for the construction costs and \$4,579,498 for the capacity charge.

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 7. OTHER LONG-TERM LIABILITIES (CONTINUED)

A maturities schedule of the contract payable, related to the cost of construction, is as follows for each of the fiscal years ending September 30:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 148,975	\$ 137,000	\$ 285,975
2013	155,172	130,803	285,975
2014	161,627	124,348	285,975
2015	168,351	117,624	285,975
2016	175,354	110,621	285,975
2017-2021	992,453	437,420	1,429,873
2022- 2026	1,216,788	213,085	1,429,873
2027	<u>274,553</u>	<u>11,421</u>	<u>285,974</u>
Total	<u>\$ 3,293,273</u>	<u>\$ 1,282,322</u>	<u>\$ 4,575,595</u>

The County has obtained certain sewer rights associated with the liability addressed above. These sewer rights have been determined to be treated as an intangible asset. The asset's original cost is \$10,416,000, with accumulated amortization of \$2,604,000 resulting in a carrying value of \$7,812,000 as of September 30, 2011, and is reflected in the Sewerage Treatment Fund as a capital asset.

On October 13, 2010, the County executed a loan with the State of Georgia Environmental Facilities Authority (GEFA) for \$3,000,000 to finance the costs of acquiring, construction, and installing sewer system improvements and the necessary appurtenances. The loan was issued at 3.81%. To date, the County has requested \$2,854,549 from GEFA for reimbursement of expenses for the proposed projects. When \$3,000,000 of the balance of the loan has been received, the loan will be finalized and the repayment schedule will be established. The obligation of the County to make the payment is a general obligation to which its full faith and credit and taxing power are pledged.

NOTE 8. OPERATING LEASES

Lessor Agreements

The County leases a certain parcel of land for use by another entity. The lease is accounted for as an operating lease and revenue is recorded when earned. Revenue derived from the lease during fiscal year 2011 amounted to \$12,006.

The following is a schedule of future minimum lease payments under lease at September 30, 2011.

<u>Future Receipts</u>	
2012	\$ 12,696
2013	12,696
2014	12,696
2015	12,696
2016	13,807
2017-2018	<u>26,767</u>
Totals	<u>\$ 91,358</u>

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 9. INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS

These balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur and (2) payments between funds are made. Inter-fund receivables net to zero.

Transfers are used to (1) move revenues from the fund that statute or budget requires them to be collected to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Inter-fund transfers net to zero.

Due to/ Due From:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount</u>
General Fund			\$ 410,588
	Sewerage Treatment	\$ 111,953	-
	Water Transmission	155,335	-
	Nonmajor governmental funds	<u>143,300</u>	<u>-</u>
		<u>\$ 410,588</u>	<u>\$ 410,588</u>

Due to/ Due from Primary Government and Discretely Presented Component Units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount</u>
General Fund			\$ 18,331
	Water and Sewerage Authority	\$ 8,470	-
	Airport Authority	9,861	-
Water and - Sewerage Authority		-	141,707
	Water Transmission	141,498	-
	Sewerage Treatment	<u>209</u>	<u>-</u>
		<u>\$ 160,038</u>	<u>\$ 160,038</u>

Interfund Transfers

Transfers-Primary Government:

	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Water Treatment</u>	<u>Total</u>
Transfers Out:			
Capital Projects SPLOST	\$ -	\$ 900,000	\$ 900,000
Sewerage Treatment	<u>4,406</u>	<u>-</u>	<u>4,406</u>
	<u>\$ 4,406</u>	<u>\$ 900,000</u>	<u>\$ 904,406</u>

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 10. JOINT VENTURE

Under Georgia law, the County, in conjunction with other counties and cities in the area, is a member of the Northeast Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During its fiscal year ended September 30, 2011, the County paid \$69,367 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia.

The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA Section 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

Northeast Georgia Regional Development Center
305 Research Drive
Athens, Georgia 30605-2795

NOTE 11. DEFINED BENEFIT PENSION PLAN

The County contributes to the Association County Commissioners of Georgia ("ACCG") Defined Benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

The Plan Provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan is affiliated with the ACCG Plan, an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan as provided in Section 19.02 of the ACCG Plan document. Complete financial statements for the Association of County Commissioner of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from GEBCorp, 3625 Cumberland Boulevard, Suite 825, Atlanta, Georgia 30039.

Membership:

As of January 1, 2011, the most recent actuarial valuation date, the Plan membership consisted of the following categories of participants:

Retirees and beneficiaries receiving benefits	77
Term vested participants not receiving benefits	152
Active participants	341
Total	<u>570</u>

Funding Policy:

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and meet or exceed the minimum contribution requirement contained in State of Georgia statutes. Plan members are not required to contribute.

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost:

The County's annual pension cost and net pension obligation for the current fiscal year were determined as follows:

Derivation of Annual Pension Cost:	<u>September 30, 2011</u>
Annual required contribution	\$ 1,458,362
Interest on net pension obligation (asset)	(41,798)
Amortization of net pension obligation (asset)	44,723
Annual pension cost	<u><u>\$ 1,461,287</u></u>

Derivation of Net Pension Obligation (Asset):	
Annual pension cost	\$ 1,461,287
Actual contributions to plan	700,677
Increase in net pension obligation (asset)	760,610
Net pension obligation (asset) as of September 30, 2010	(539,330)
Net pension obligation (asset) as of September 30, 2011	<u><u>\$ 221,280</u></u>

Basis of Valuation and Actuarial Assumptions

Current valuation date	January 1, 2011
Annual return on invested plan assets	7.75%
Projected annual salary increases	5%-7.5% based on age
Expected annual inflation	3.00%
Actuarial value of assets	Smoothed within a 5 year smoothing period
Actuarial funding method	Projected Unit Credit
Amortization method	Level Percent of Pay (closed)

The following is a schedule of funding progress:

<u>Measurement Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
1/1/2011	\$ 12,085,458	\$ 17,277,827	\$5,192,369	69.9%	\$13,519,135	38.4%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2011.

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Trend Information for the Plan				
Fiscal Year Ending	Annual Pension cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
September 30, 2011	\$ 1,461,287	\$ 700,677	48%	\$ 221,280
September 30, 2010	1,504,850	1,589,742	106%	(539,330)
September 30, 2009	1,240,560	1,293,794	104%	(454,438)

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Public Risk Underwriter and Travelers are the County's general liability carriers. The Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operate as a common risk management and insurance program for member local governments. As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool'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 funds being required to pay any claim of loss. The County is also to allow the pool'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 funds.

The fund is to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the 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.

There have been no significant reductions of insurance coverage from coverage in the prior year and settlement amounts have not exceeded insurance coverage for the current year or the three prior fiscal years.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual Commitments:

In addition to the liabilities enumerated in the statement of net assets on September 30, 2011, the County has contractual commitments on uncompleted contracts of approximately \$549,434.

Litigation:

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have or may have a material adverse effect on the financial position of the County.

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grant Contingencies:

The County has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS

Plan Description:

The County provides funding for continued healthcare benefits to retired employees. The Plan provides medical coverage and prescription drug benefits to those who qualify. In order to be eligible for the retiree health care plan, the employee must have the minimum age of 55 and having at least 10 years of service to the County. Continued healthcare benefits in the form of single coverage will be paid at 50 percent of the premium. This benefit is limited to a period until the employee becomes Medicare eligible or reaches age 65 whichever comes first. The County has the authority to amend or terminate this benefit. The Plan was established by a resolution by the Board of Commissioners. It may also be amended by resolution of the same Board.

The Plan is a single-employer defined benefit post-retirement healthcare. The County has not elected to advance fund the Plan, but rather maintains the Plan on a "pay as you go" basis.

As of January 1, 2010, the most recent actuarial valuation date, the Plan membership included the following categories of participants:

Activies Fully Eligible to Retire	11
Activies Not Yet Fully Eligible to Retire	413
Reirees and Dependents	<u>12</u>
Total	<u><u>436</u></u>

Benefits:

Eligible retirees and former employees are offered the same health and prescription drug coverage as active employees. The County pays 50% of the retiree premium for the health insurance plan. Retirees cannot add spouses or dependents to the County's insurance plan. There is a maximum out-of-pocket cost to the employee of \$2,000 or \$5,000 depending on the plans.

Eligibility:

Employees are eligible for OPEB provided that the employee has the minimum age of 55 and having at least 10 years of service to the County.

County Contribution:

The County contribution is determined by the actuary as necessary to keep the Plan in compliance with the funding requirements of the State of Georgia.

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The annual required contribution for the current fiscal year was determined as part of the January 1, 2010 actuarial valuation. The actuarial assumptions included:

Measurement Date	January 1, 2010
Actuarial Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Not Applicable
Healthcare Cost Trend Rate	9.00%
Ultimate Healthcare Cost Trend Rate	5.00%
Fiscal Year of Ultimate Trend Rate	FY 2016
Amortization method	Level Dollar
Remaining Amortization Period	30 years, open
Discount Rate	4.00%
Salary Rate Increase	3.00%

The following is a schedule of funding progress using the projected unit credit cost method. As of the most recent valuation date, January 1, 2010, the funded status of the Plan was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
1/1/2010	\$ -	\$ 2,777,764	\$ 2,777,764	0.0%	N/A	N/A

N/A- Not Available

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010.

Annual OPEB Cost:

The County's actuarially determined contribution, OPEB cost and increase in net OPEB obligation for the fiscal year ended September 30, 2011, is as follows:

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Normal cost	\$ 374,629
Amortization of unfunded actuarial accrued liability	<u>107,176</u>
Annual required contribution	481,805
Interest on Net OPEB Obligation	17,993
Adjustment to Annual Required Contribution	<u>(17,356)</u>
Annual OPEB Cost	482,442
Actual employer benefit payments	<u>(77,914)</u>
Increase in net OPEB obligation	404,528
Net OPEB obligation, beginning of fiscal year	<u>449,834</u>
Net OPEB obligation, end of fiscal year	<u>\$ 854,362</u>

The annual required contribution was determined as part of the January 1, 2010 actuarial valuation. The chart below shows the annual OPEB cost for the current fiscal year, along with the percentage actually contributed by the County.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2011	\$ 482,442	\$ 77,914	16.15%	\$ 854,362
September 30, 2010	449,834	-	-	449,834

NOTE 15. CHANGE IN REPORTING ENTITY

In previous fiscal years, the County's Joint Development Authority and the Industrial Building Authority activity was reported in the County's governmental activities of the government-wide financial statements in error instead being reported as discretely presented component units. As of September 30, 2011, the County has determined that these entities should be reported as discretely presented component units instead of reported in governmental activities of the County's government-wide financial statements. See Note 16 for the net assets balances restated for these component units and the County's governmental activities.

NOTE 16. PRIOR PERIOD ADJUSTMENTS

General Fund: The County has determined that a restatement of beginning fund balance of the General Fund is necessary to correctly recognize revenue in the proper period. In previous years, the County had set aside fines and forfeitures revenue as a liability for the construction of a jail instead of reserving fund balance for that purpose.

Fund Balance September 30, 2010, as previously reported	\$4,292,956
-Adjustment to record fines and forfeitures revenue in the proper period	<u>251,510</u>
Fund Balance September 30, 2010, as restated	<u>\$4,544,466</u>

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

pertaining to the Emergency 911 Special Revenue Fund, which were measurable, available, and met the criteria for recognition, in the proper period.

Fund Balance September 30, 2010, as previously reported	\$741,893
-Adjustment to record accounts receivable and revenue in the proper period	<u>224,314</u>
Fund Balance September 30, 2010, as restated	<u>\$966,207</u>

Sewerage Treatment Fund: The County has determined that a restatement of beginning net assets of the Sewerage Treatment Fund is necessary to record accrued interest payable and interest expense in the proper period.

Net Assets September 30, 2010, as previously reported	\$20,611,247
-Adjustment to record accrued interest payable in the proper period	<u>(35,737)</u>
Net Assets September 30, 2010, as restated	<u>\$20,575,510</u>

Nonmajor Enterprise Fund (Stormwater Fund): The County has determined that a restatement of beginning net assets of the nonmajor enterprise fund is necessary to record stormwater accounts receivables and revenue in the proper period.

Net Assets September 30, 2010, as previously reported	\$372,833
-Adjustment to record accounts receivable and revenue in the proper period	<u>24,229</u>
Net Assets September 30, 2010, as restated	<u>\$397,062</u>

Discretely Presented Component Units – Governmental Activities: As a result of the change in reporting as discussed in footnote 15, the County has determined to report activity of the Industrial Building Authority and the Joint Development Authority as discretely presented component units instead of as part of the government-wide governmental activities. Therefore, beginning net assets of these component units were restated. In addition to the restatement as a result of the change in reporting entities, the County determined that the beginning net assets of these component units should be further restated due to bond issuance costs and related amortization expense, bond discount and related amortization expense and the deferred gain on refunded revenue bonds not being recorded in previous years.

Industrial Building Authority

Net Assets September 30, 2010, as previously reported	\$ -
-Adjustment as a result of the change in reporting entity	(3,259,304)
-Adjustment to record the net effect of bond issuance cost and amortization expense which were omitted in the prior period	168,198
-Adjustment to record the net effect of bond discount and amortization expense which were omitted in the prior period	<u>42,836</u>
Net Assets September 30, 2010, as restated	<u>(3,048,270)</u>

**BARROW COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 16. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

Joint Development Authority

Net Assets September 30, 2010, as previously reported	\$ -
-Adjustment as a result of the change in reporting entity	(2,140,064)
-Adjustment to record the net effect of deferred gain on refund revenue bonds which was omitted in the prior period	(252,967)
Net Assets September 30, 2010, as restated	<u>(\$2,393,031)</u>

Governmental Activities: The County has determined that a restatement of beginning net assets of the governmental activities is necessary to record omitted capital asset additions of previous years in the proper period. As a result of this error in addition to the items discussed previously under the General Fund, nonmajor governmental funds, and discretely presented components, beginning net assets of governmental activities is restated as follows:

Net Assets September 30, 2010, as previously reported	\$74,579,805
-Adjustment to record fines and forfeitures revenue in the proper period	251,510
-Adjustment to record accounts receivable and revenue in the proper period	224,314
-Adjustment as a result of the change in reporting entity	3,259,304
-Adjustment as a result of the change in reporting entity	2,140,064
-Adjustment to recorded omitted capital assets in prior years	243,871
Net Assets September 30, 2010, as restated	<u>\$80,698,868</u>

Business-type Activities: The County has determined that a restatement of beginning net assets of the business-type activities is necessary as a result of the previously discussed errors noted in the Sewerage Treatment Fund and the Stormwater Fund:

Net Assets September 30, 2010, as previously reported	\$29,538,943
-Adjustment to record accrued interest payable in the proper period	(35,737)
-Adjustment to record accounts receivable and revenue in the proper period	24,229
Net Assets September 30, 2010, as restated	<u>\$29,527,435</u>

NOTE 17. SUBSEQUENT EVENTS

On January 27, 2012, Barrow County Board of Commissioners borrowed \$1,200,000 from Chase Bank to purchase vehicles and for technology upgrades. The money is to be paid back in four (4) years starting in February 27, 2013 and will mature on February 27, 2016. The debt service payments for this note payable will come from 2012 SPLOST dollars.

**BARROW COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2011**

SCHEDULE OF FUNDING PROGRESS- PENSION
2006-2011
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	(AAL) Projected Unit Credit	Unfunded Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
January 1, 2011	\$ 12,085,458	\$ 17,277,827	\$ 5,192,369	69.9%	\$ 13,519,135	38.4%
January 1, 2010	11,399,306	16,086,402	4,687,096	70.9%	13,541,861	34.6%
January 1, 2009	9,828,906	13,757,079	3,928,173	71.4%	11,539,122	34.0%
January 1, 2008	9,005,685	12,262,474	3,256,789	73.4%	11,001,108	29.6%
January 1, 2007	7,538,383	10,532,889	2,994,506	71.6%	9,156,440	32.7%
January 1, 2006	6,248,371	9,165,561	2,917,190	68.2%	7,229,943	40.0%

Note: See assumptions used for the schedule of Funding Progress in Note 11 to the financial statements.

SCHEDULE OF FUNDING PROGRESS - OPEB
2009-2010
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	(AAL) Projected Unit Credit	Unfunded Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
January 1, 2010	-	2,777,764	2,777,764	0%	N/A	N/A
January 1, 2009	-	2,331,668	2,331,668	0%	N/A	N/A

Note: See assumptions used for the schedule of Funding Progress in Note 14 to the financial statements

**BARROW COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011**

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt services or capital projects

Emergency 911 To account for emergency services which are provided to all County taxpayers. Financing is provided through user fees and charges and operating transfers from the General Fund. These funds are restricted by State law.

Confiscated Assets To account for monies confiscated under Federal and State law by Barrow County law enforcement officers related to controlled substance offenses. Such as monies are restricted to defray the cost of complex investigations and to purchase equipment relating to said investigations. These funds are restricted by Federal law.

Law Library To account for revenues generated through special filing charges in the County court system which are used to acquire and maintain library materials. These funds are restricted by State law.

Inmate Commissary To account for the inmate activity at the County jail in which funds are committed by the County's Sheriff.

Revolving Loan Established to account for the proceeds of a \$245,766 business incentive small program grant from the State Department of Community Affairs. These funds are restricted by State law.

Multiple Grant Established to account for various grant programs. The financing is provided provided by various local, state and federal agencies in accordance with grant contracts and agreements. These funds are restricted by Federal and State law.

**BARROW COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011**

	<u>Emergency 911</u>	<u>Confiscated Assets</u>	<u>Law Library</u>	<u>Inmate Commissary</u>	<u>Revolving Loan</u>	<u>Multiple Grants</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 110,135	\$ 109,315	\$ 172,704	\$ 28,867	38,916	38,268	\$ 498,205
Receivables:							
Accounts	160,318	-	-	-	-	-	160,318
Interest	-	-	16	-	-	-	16
Intergovernmental	-	-	-	-	-	110,726	110,726
Total assets	<u>\$ 270,453</u>	<u>\$ 109,315</u>	<u>\$ 172,720</u>	<u>\$ 28,867</u>	<u>\$ 38,916</u>	<u>148,994</u>	<u>\$ 769,265</u>
LIABILITIES							
Accounts payable	\$ 29,323	\$ 26,531	\$ -	\$ -	-	\$ 11,666	\$ 67,520
Salaries and wages payable	21,259	-	-	-	-	-	21,259
Due to other funds	6,290	-	-	-	-	137,010	143,300
Deferred revenues	-	-	-	-	-	163	163
Total liabilities	<u>56,872</u>	<u>26,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,839</u>	<u>232,242</u>
FUND BALANCES							
Restricted	22,365	63,505	172,720	-	38,916	155	297,661
Committed	-	-	-	28,867	-	-	28,867
Assigned	191,216	19,279	-	-	-	-	210,495
Total fund balances	<u>213,581</u>	<u>82,784</u>	<u>172,720</u>	<u>28,867</u>	<u>38,916</u>	<u>155</u>	<u>537,023</u>
Total liabilities and fund balances	<u>\$ 270,453</u>	<u>\$ 109,315</u>	<u>\$ 172,720</u>	<u>\$ 28,867</u>	<u>\$ 38,916</u>	<u>\$ 148,994</u>	<u>\$ 769,265</u>

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

	Emergency 911	Confiscated Assets	Law Library	Inmate Commissary	Revolving Loan	Multiple Grants	Total Nonmajor Governmental Funds
REVENUES							
Intergovernmental	-	-	-	-	-	-	-
Charges for services	1,038,806	-	-	75,771	-	447,667	\$ 447,667
Fines and forfeitures	-	97,166	32,748	-	-	-	1,114,577
Interest	128	131	176	-	-	-	129,914
Other	1,347	-	-	29	-	10	435
Total revenues	<u>1,040,281</u>	<u>97,297</u>	<u>32,924</u>	<u>75,800</u>	<u>-</u>	<u>447,677</u>	<u>1,693,979</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	210,157	1,260	211,417
Judicial	-	-	23,427	-	-	188,025	211,452
Public safety	1,175,780	107,682	-	92,144	-	102,864	1,478,470
Health and welfare	-	-	-	-	-	155,373	155,373
Debt service:							
Principal	64,710	-	-	-	-	-	64,710
Interest	1,741	-	-	-	-	-	1,741
Total expenditures	<u>1,242,231</u>	<u>107,682</u>	<u>23,427</u>	<u>92,144</u>	<u>210,157</u>	<u>447,522</u>	<u>2,123,163</u>
Excess (deficiency) of revenues over expenditures	<u>(201,950)</u>	<u>(10,385)</u>	<u>9,497</u>	<u>(16,344)</u>	<u>(210,157)</u>	<u>155</u>	<u>(429,184)</u>
Net change in fund balances	<u>(201,950)</u>	<u>(10,385)</u>	<u>9,497</u>	<u>(16,344)</u>	<u>(210,157)</u>	<u>155</u>	<u>(429,184)</u>
Fund balances - beginning, as restated	<u>415,531</u>	<u>93,169</u>	<u>163,223</u>	<u>45,211</u>	<u>249,073</u>	<u>-</u>	<u>966,207</u>
Fund balances - ending	<u>\$ 213,581</u>	<u>\$ 82,784</u>	<u>\$ 172,720</u>	<u>\$ 28,867</u>	<u>\$ 38,916</u>	<u>\$ 155</u>	<u>\$ 537,023</u>

**BARROW COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUE				
Charges for services	\$ 1,030,550	\$ 1,030,550	\$ 1,038,806	\$ 8,256
Interest	50	50	128	78
Other	-	-	1,347	1,347
Total revenues	<u>1,030,600</u>	<u>1,030,600</u>	<u>1,040,281</u>	<u>9,681</u>
EXPENDITURES				
Current:				
Public safety:				
E 911 department	<u>1,491,418</u>	<u>1,491,418</u>	<u>1,175,780</u>	<u>315,638</u>
Total public safety	<u>1,491,418</u>	<u>1,491,418</u>	<u>1,175,780</u>	<u>315,638</u>
Debt service:				
Principal	64,725	64,710	64,710	-
Interest	<u>1,726</u>	<u>1,741</u>	<u>1,741</u>	-
Total debt service	<u>66,451</u>	<u>66,451</u>	<u>66,451</u>	-
Total expenditures	<u>1,557,869</u>	<u>1,557,869</u>	<u>1,242,231</u>	<u>315,638</u>
Deficiency of revenue under expenditures	(527,269)	(527,269)	(201,950)	(305,957)
OTHER FINANCING SOURCES				
Transfers in	<u>527,269</u>	<u>527,269</u>	-	<u>(527,269)</u>
Total other financing sources	<u>527,269</u>	<u>527,269</u>	-	<u>(527,269)</u>
Net change in fund balances	-	-	(201,950)	(201,950)
Fund balances - beginning, as restated	<u>415,531</u>	<u>415,531</u>	<u>415,531</u>	-
Fund balances - ending	<u>\$ 415,531</u>	<u>\$ 415,531</u>	<u>\$ 213,581</u>	<u>\$ 201,950</u>

**BARROW COUNTY, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUE				
Fines and forfeitures	\$ 110,000	\$ 110,000	\$ 97,166	\$ (12,834)
Interest	<u>25</u>	<u>25</u>	<u>131</u>	<u>106</u>
Total revenues	<u>110,025</u>	<u>110,025</u>	<u>97,297</u>	<u>(12,728)</u>
EXPENDITURES				
Current:				
Public safety:				
Sheriff	<u>110,025</u>	<u>110,025</u>	<u>107,682</u>	<u>2,343</u>
Total current expenditures	<u>110,025</u>	<u>110,025</u>	<u>107,682</u>	<u>2,343</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(10,385)</u>	<u>(10,385)</u>
Fund balances - beginning	<u>93,169</u>	<u>93,169</u>	<u>93,169</u>	<u>-</u>
Fund balances - ending	<u>\$ 93,169</u>	<u>\$ 93,169</u>	<u>\$ 82,784</u>	<u>\$ (10,385)</u>

**BARROW COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUE				
Fines and forfeitures	\$ 45,000	\$ 45,000	\$ 32,748	\$ (12,252)
Interest	<u>150</u>	<u>150</u>	<u>176</u>	<u>26</u>
Total revenues	<u>45,150</u>	<u>45,150</u>	<u>32,924</u>	<u>(12,226)</u>
EXPENDITURES				
Current:				
Judicial:				
Clerk of Superior Court	<u>45,150</u>	<u>45,150</u>	<u>23,427</u>	<u>21,723</u>
Total current expenditures	<u>45,150</u>	<u>45,150</u>	<u>23,427</u>	<u>21,723</u>
Total expenditures	<u>45,150</u>	<u>45,150</u>	<u>23,427</u>	<u>21,723</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>9,497</u>	<u>(9,497)</u>
Fund balances - beginning	<u>163,223</u>	<u>163,223</u>	<u>163,223</u>	<u>-</u>
Fund balances - ending	<u>\$ 163,223</u>	<u>\$ 163,223</u>	<u>\$ 172,720</u>	<u>\$ (9,497)</u>

**BARROW COUNTY, GEORGIA
INMATE COMMISSARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUE				
Charges for services	\$ 108,000	\$ 108,000	\$ 75,771	\$ (32,229)
Other	-	-	29	29
Total revenues	<u>108,000</u>	<u>108,000</u>	<u>75,800</u>	<u>(32,200)</u>
EXPENDITURES				
Current:				
Public safety:				
Sheriff	<u>108,000</u>	<u>108,000</u>	<u>92,144</u>	<u>15,856</u>
Total current expenditures	<u>108,000</u>	<u>108,000</u>	<u>92,144</u>	<u>15,856</u>
Deficiency of revenues under expenditures	-	-	(16,344)	(16,344)
Fund balances - beginning	<u>45,211</u>	<u>45,211</u>	<u>45,211</u>	<u>-</u>
Fund balances - ending	<u>\$ 45,211</u>	<u>\$ 45,211</u>	<u>\$ 28,867</u>	<u>\$ (16,344)</u>

BARROW COUNTY, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Interest	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	210,157	(210,157)
Total expenditures	<u>-</u>	<u>-</u>	<u>210,157</u>	<u>(210,157)</u>
Deficiency of revenues under expenditures	-	-	(210,157)	(210,157)
Fund balances - beginning	<u>249,073</u>	<u>249,073</u>	<u>249,073</u>	<u>-</u>
Fund balances - ending	<u>\$ 249,073</u>	<u>\$ 249,073</u>	<u>\$ 38,916</u>	<u>\$ (210,157)</u>

BARROW COUNTY, GEORGIA
MULTIPLE GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Intergovernmental	\$ -	\$ 684,718	\$ 447,667	\$ (237,051)
Other	-	-	10	10
Total revenues	-	684,718	447,677	(237,041)
EXPENDITURES				
Current:				
General government:				
Elections	-	1,260	1,260	-
Total expenditures	-	1,260	1,260	-
Judicial:				
Superior Court	-	372,889	176,425	196,464
Juvenile Court	-	11,600	11,600	-
Total judicial	-	384,489	188,025	196,464
Public safety:				
Sheriff	-	69,300	69,295	5
Fire and Emergency Medical Services	-	47,050	33,569	13,481
Total public safety	-	116,350	102,864	13,486
Health and welfare:				
Aging program	-	155,400	155,373	27
Total health and welfare	-	155,400	155,373	27
Total expenditures	-	657,499	447,522	209,977
Excess (deficiency) of revenues over (under) expenditures	-	27,219	155	(27,064)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ 27,219	\$ 155	\$ (27,064)

**BARROW COUNTY, GEORGIA
AGENCY FUNDS
SEPTEMBER 30, 2011**

Agency Funds:

Tax Commissioner The Tax Commissioner Fund accounts for all real, personal, intangible recording taxes collected and forwarded to other governmental units.

Sheriff's Office The Sheriff's Office Fund accounts for collections of fees, proceeds from judicial sales, and cash bonds, which are disbursed to other agencies and individuals.

The following agency funds are used to account for fines, fees, and other monies collected by the Courts or DA and remitted to other parties in accordance with State statutes and court orders:

Clerk of Superior Court
Magistrate Court
Probate Court
District Attorney's (DA) Office

BARROW COUNTY, GEORGIA
COMBINING BALANCE SHEET
AGENCY FUNDS
SEPTEMBER 30, 2011

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	District Attorney	Total
Assets:							
Cash	\$ 612,260	\$ 1,316,515	\$ 36,338	\$ 15,977	\$ 181,352	\$ 58,336	\$ 2,220,778
Investments	-	-	-	-	118,780	-	118,780
Taxes receivable	4,669,634	-	-	-	-	-	4,669,634
Total assets	\$ 5,281,894	\$ 1,316,515	\$ 36,338	\$ 15,977	\$ 300,132	\$ 58,336	\$ 7,009,192
Liabilities:							
Due to others	\$ 5,281,894	\$ 1,316,515	\$ 36,338	\$ 15,977	\$ 300,132	\$ 58,336	\$ 7,009,192

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

	<u>Balance September 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2011</u>
<u>Tax Commissioner</u>				
Assets:				
Cash	\$ 451,484	\$ 224,304,212	\$ 224,143,436	\$ 612,260
Taxes receivable	<u>4,492,407</u>	<u>4,669,634</u>	<u>4,492,407</u>	<u>4,669,634</u>
	<u>\$ 4,943,891</u>	<u>\$ 228,973,846</u>	<u>\$ 228,635,843</u>	<u>\$ 5,281,894</u>
Liabilities:				
Due to others	<u>\$ 4,943,891</u>	<u>\$ 228,969,009</u>	<u>\$ 228,631,006</u>	<u>\$ 5,281,894</u>
 <u>Clerk of Superior Court</u>				
Assets:				
Cash	<u>\$ 943,064</u>	<u>\$ 4,073,147</u>	<u>\$ 3,699,696</u>	<u>\$ 1,316,515</u>
Liabilities				
Due to others	<u>\$ 943,064</u>	<u>\$ 4,099,104</u>	<u>\$ 3,725,653</u>	<u>\$ 1,316,515</u>
 <u>Probate Court</u>				
Assets:				
Cash	<u>\$ 144,747</u>	<u>\$ 1,178,496</u>	<u>\$ 1,286,905</u>	<u>\$ 36,338</u>
Liabilities				
Due to others	<u>\$ 144,747</u>	<u>\$ 1,254,531</u>	<u>\$ 1,362,940</u>	<u>\$ 36,338</u>
 <u>Magistrate Court</u>				
Assets:				
Cash	<u>\$ 60,806</u>	<u>\$ 1,111,223</u>	<u>\$ 1,156,052</u>	<u>\$ 15,977</u>
Liabilities				
Due to others	<u>\$ 60,806</u>	<u>\$ 1,115,270</u>	<u>\$ 1,160,099</u>	<u>\$ 15,977</u>

(Continued)

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

	<u>Balance September 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2011</u>
<u>Sheriff</u>				
Assets:				
Cash	\$ 71,624	\$ 660,536	\$ 550,808	\$ 181,352
Investments	-	118,780	-	118,780
Total Assets	<u>\$ 71,624</u>	<u>\$ 779,316</u>	<u>\$ 550,808</u>	<u>\$ 300,132</u>
Liabilities:				
Due to others	<u>\$ 71,624</u>	<u>\$ 779,316</u>	<u>\$ 550,808</u>	<u>\$ 300,132</u>
<u>District Attorney</u>				
Assets:				
Cash	<u>\$ 35,985</u>	<u>\$ 73,465</u>	<u>\$ 51,114</u>	<u>\$ 58,336</u>
Liabilities				
Due to others	<u>\$ 35,985</u>	<u>\$ 73,465</u>	<u>\$ 51,114</u>	<u>\$ 58,336</u>
<u>Total Agency Funds</u>				
Assets:				
Cash	\$ 1,707,710	\$ 231,401,079	\$ 230,888,011	\$ 2,220,778
Investments	-	118,780	-	118,780
Taxes receivable	4,492,407	4,669,634	4,492,407	4,669,634
	<u>\$ 6,200,117</u>	<u>\$ 236,189,493</u>	<u>\$ 235,380,418</u>	<u>\$ 7,009,192</u>
Liabilities:				
Due to others	<u>\$ 6,200,117</u>	<u>\$ 236,290,695</u>	<u>\$ 235,481,620</u>	<u>\$ 7,009,192</u>

**BARROW COUNTY, GEORGIA
NONMAJOR COMPONENT UNITS
SEPTEMBER 30, 2011**

Nonmajor Governmental Component Units:

The Board of Health

The Barrow County Board of Health (the "Board of Health) provides various health services for the citizens of Barrow County under a contract with the Georgia Department of Human Resources (DHR). The Health Department receives financial support from Barrow County, Georgia, the State of Georgia, and the Federal Government. The County Commission appoints a majority of the Board of Directors.

An Industrial Building Authority (IBA)

The IBA was created on January 30, 1962 to encourage and promote the expansion and development of industrial and commercial facilities in Barrow County, so as to relieve possible unemployment within its boundaries. The IBA has five (5) board members.

A Joint Development Authority (JDA)

The JDA was created on October 30, 1981 between Barrow County Board of Commissioners and the Mayor of the City of Winder for the development and promotion of public goods and general welfare trade, commerce, industry, and employment activities in the City of Winder and Barrow County. The JDA has seven (7) board member.

Nonmajor Proprietary Component Units:

Water and Sewage Authority

This Authority operates as a separate statutory authority comprised of a seven (7) member board that oversees the operations of the Water Authority. The Board is appointed by the County Commissioners and as of October 1, 2004, Barrow County began providing services related to management of the Water Authority's water system after the Water Authority's contract with Jones and Goulding, Inc. was not renewed during the fiscal year 2004.

Airport Authority

The Airport Authority operates as a separate statutory authority comprised of a seven (7) member board that oversees the operations at the airport. The Airport Authority is dependent upon the County for funding, and its board is appointed by the County Commissioners.

BARROW COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

	Board of Health	Industrial Building Authority	Joint Development Authority	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 691,376	\$ 341,180	\$ 6,884	\$ 1,039,440
Receivables, net of allowance for uncollectible	141,218	-	-	141,218
Total current assets	832,594	341,180	6,884	1,180,658
Noncurrent assets:				
Capital assets not being depreciated:				
Land	-	11,046,379	9,441,384	20,487,763
Construction in progress	-	95,477	53,229	148,706
Depreciable assets:				
Machinery and equipment	119,614	-	-	119,614
Less accumulated depreciation	(115,141)	-	-	(115,141)
	4,473	11,141,856	9,494,613	20,640,942
Other assets- deferred charges	-	155,864	314,556	470,420
Total noncurrent assets	4,473	11,297,720	9,809,169	21,111,362
Total assets	\$ 837,067	\$ 11,638,900	\$ 9,816,053	\$ 22,292,020
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 27,507	\$ -	\$ -	\$ 27,507
Accrued interest payable	-	443,741	88,239	531,980
Compensated absence	11,886	-	-	11,886
Revenue bonds payable - current portion	-	375,000	-	375,000
Total current liabilities	39,393	818,741	88,239	946,373
Noncurrent liabilities:				
Compensated absences payable	44,374	-	-	44,374
Revenue bonds payable (net of unamortized discounts)	-	14,330,305	12,226,054	26,556,359
Total noncurrent liabilities	44,374	14,330,305	12,226,054	26,600,733
Total liabilities	83,767	15,149,046	12,314,293	27,547,106
NET ASSETS (DEFICITS)				
Invested in capital assets, net of related debt	4,473	(3,563,449)	(2,731,441)	(6,290,417)
Unrestricted	748,827	53,303	233,201	1,035,331
Total net assets (deficits)	\$ 753,300	\$ (3,510,146)	\$ (2,498,240)	\$ (5,255,086)

BARROW COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Component units	Program Revenues		Net (Expense) Revenue and Changes in Net Assets						
	Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Component Units				
					Board of Health	Industrial Building Authority	Joint Development Authority	Total	
Board of Health	Governmental activities:								
	Health and welfare	\$ 937,857	\$ 292,429	\$ 642,630	\$ (2,798)	\$ -	\$ -	\$ -	\$ (2,798)
Industrial Building Authority	Housing and development	1,359,775	-	897,156	-	(462,619)	-	-	(462,619)
Joint Development Authority	Housing and development	377,774	-	272,559	-	-	(105,215)	-	(105,215)
Total component unit activities		2,675,406	292,429	1,812,345	(2,798)	(462,619)	(105,215)	(105,215)	(570,632)
General revenues:									
	Unrestricted investment earnings		1,151		743		6		1,900
	Change in net assets		(1,647)		(461,876)		(105,209)		(568,732)
	Net assets (deficits) - beginning, as restated		754,947		(3,048,270)		(2,393,031)		(4,686,354)
	Net assets (deficits) - ending		\$ 753,300		\$ (3,510,146)		\$ (2,498,240)		\$ (5,255,086)

**BARROW COUNTY, GEORGIA
 PROPRIETARY COMPONENT UNITS
 COMBINING STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2011**

	Water and Sewage Authority	Airport Authority	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,448,275	\$ 89,132	\$ 5,537,407
Investments	-	526,579	526,579
Receivables, net of allowance for uncollectible	306,666	1,640	308,306
Due from primary government	141,707	-	141,707
Inventory	80,055	-	80,055
Restricted assets:			
Cash and cash equivalents	1,044,452	-	1,044,452
Total current assets	7,021,155	617,351	7,638,506
Noncurrent assets:			
Capital assets:			
Non-depreciable assets:			
Land	53,340	3,665,770	3,719,110
Construction in progress	141,331	-	141,331
Depreciable assets:			
Infrastructure	18,615,475	-	18,615,475
Buildings	300,000	2,814,856	3,114,856
Site improvements	103,196	5,139,219	5,242,415
Machinery and equipment	234,288	419,474	653,762
Total capital assets	19,447,630	12,039,319	31,486,949
Less accumulated depreciation	(4,023,393)	(4,933,824)	(8,957,217)
Other assets- deferred charges	192,092	-	192,092
Total non-current assets	15,616,329	7,105,495	22,721,824
Total assets	\$ 22,637,484	\$ 7,722,846	\$ 30,360,330
LIABILITIES			
Payable from current assets:			
Accounts payable	\$ 16,363	\$ 87,871	\$ 104,234
Salaries and wages payable	10,319	-	10,319
Accrued liabilities	7,798	-	7,798
Compensated absence payable	23,135	4,707	27,842
Due to primary government	8,470	9,861	18,331
	66,085	102,439	168,524
Payable from restricted assets:			
Accrued interest payable	68,242	-	68,242
Revenue bonds payable - current portion	635,000	-	635,000
	703,242	-	703,242
Total current liabilities	769,327	102,439	871,766
Noncurrent liabilities:			
Compensated absences payable	5,784	1,177	6,961
Revenue bonds payable (net of unamortized discounts)	9,700,000	-	9,700,000
Total noncurrent liabilities	9,705,784	1,177	9,706,961
Total liabilities	10,475,111	103,616	10,578,727
NET ASSETS			
Invested in capital assets, net of related debt	5,089,237	7,105,495	12,194,732
Restricted, for debt service	341,210	-	341,210
Unrestricted	6,731,926	513,735	7,245,661
Total net assets	\$ 12,162,373	\$ 7,619,230	\$ 19,781,603

BARROW COUNTY, GEORGIA
PROPRIETARY COMPONENT UNITS
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Water and Sewage Authority</u>	<u>Airport Authority</u>	<u>Total</u>
Operating revenues:			
Water sales	\$ 2,609,003	\$ -	\$ 2,609,003
Tap/test fees	13,800	-	13,800
Other fees and charges	14,817	305,338	320,155
Other revenue	<u>50,257</u>	<u>3,929</u>	<u>54,186</u>
 Total operating revenues	 <u>2,687,877</u>	 <u>309,267</u>	 <u>2,997,144</u>
Operating expenses:			
Personnel services and employee benefits	360,398	89,892	450,290
Purchased/contracted services	88,429	99,130	187,559
Purchased water	719,862	-	719,862
Supplies	23,792	10,525	34,317
Other operating expenses	26,955	51,453	78,408
Depreciation	389,409	312,989	702,398
Amortization	<u>37,692</u>	<u>-</u>	<u>37,692</u>
Total operating expenses	<u>1,646,537</u>	<u>563,989</u>	<u>2,210,526</u>
 Operating income (loss)	 <u>1,041,340</u>	 <u>(254,722)</u>	 <u>786,618</u>
Non-operating revenue (expenses):			
Interest and investment revenue	9,790	3,372	13,162
Interest expense	<u>(429,824)</u>	<u>-</u>	<u>(429,824)</u>
Total nonoperating revenue (expense)	<u>(420,034)</u>	<u>3,372</u>	<u>(416,662)</u>
 Income before contributions	 <u>621,306</u>	 <u>(251,350)</u>	 <u>369,956</u>
 Capital contributions - from other governments	 -	 525,000	 525,000
Capital contributions - from developers	<u>240,000</u>	<u>-</u>	<u>240,000</u>
 Change in net assets	 861,306	 273,650	 1,134,956
 Total net assets - beginning	 <u>11,301,067</u>	 <u>7,345,580</u>	 <u>18,646,647</u>
 Total net assets - ending	 <u>\$ 12,162,373</u>	 <u>\$ 7,619,230</u>	 <u>\$ 19,781,603</u>

**BARROW COUNTY, GEORGIA
 PROPRIETARY COMPONENT UNITS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>Water and Sewage Authority</u>	<u>Airport Authority</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,619,417	\$ 309,464	\$ 2,928,881
Payments to suppliers	(946,250)	(87,154)	(1,033,404)
Payments to employees	(347,521)	(91,992)	(439,513)
Other operating expenses	<u>(476,252)</u>	<u>(45,722)</u>	<u>(521,974)</u>
Net cash provided by operating activities	<u>849,394</u>	<u>84,596</u>	<u>933,990</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES			
Purchase of capital assets			
Purchase of capital assets	(264,568)	(219,500)	(484,068)
Capital contributions - from other governments	-	525,000	525,000
Principal payments on revenue bonds	(605,000)	-	(605,000)
Interest paid on long-term borrowings	<u>(433,894)</u>	<u>-</u>	<u>(433,894)</u>
Net cash used in noncapital financial activities	<u>(1,303,462)</u>	<u>305,500</u>	<u>(997,962)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	9,790	3,372	13,162
Purchase of investments	<u>-</u>	<u>(526,579)</u>	<u>(526,579)</u>
Net cash provided (used) by investing activities	<u>9,790</u>	<u>(523,207)</u>	<u>(513,417)</u>
Net decrease in cash and cash equivalents	(444,278)	(133,111)	(577,389)
Cash and cash equivalents			
Beginning of the fiscal year	<u>6,937,005</u>	<u>222,243</u>	<u>7,159,248</u>
End of the fiscal year	<u>\$ 6,492,727</u>	<u>\$ 89,132</u>	<u>\$ 6,581,859</u>
Reconciliation of cash and cash equivalents			
Cash and cash equivalents	\$ 5,448,275	\$ 89,132	5,537,407
Cash and cash equivalents - Restricted	<u>1,044,452</u>	<u>-</u>	<u>1,044,452</u>
	<u>\$ 6,492,727</u>	<u>\$ 89,132</u>	<u>\$ 6,581,859</u>
Reconciliation of operating income (loss) to net cash provided in operating activities:			
Operating income (loss)	1,041,340	(254,722)	786,618
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	389,409	312,989	702,398
Amortization	37,692	-	37,692
Decrease (increase) in accounts receivable	(18,203)	196	(18,007)
Decrease (Increase) in due from primary government	(141,707)	-	(141,707)
Increase (decrease) in accounts payable and accrued liabilities	(57,414)	73,954	16,540
Increase (decrease) in salaries and wages payable	12,877	(2,100)	10,777
Increase (decrease) in due to primary government	(334,545)	(37,192)	(371,737)
Decrease (increase) in unearned revenue	-	(8,529)	(8,529)
Increase in inventory	<u>(80,055)</u>	<u>-</u>	<u>(80,055)</u>
Net cash provided by operating activities	<u>\$ 849,394</u>	<u>\$ 84,596</u>	<u>\$ 933,990</u>
Noncash capital financing activities:			
Capital assets acquired through contributions from developers	<u>\$ 240,000</u>	<u>\$ -</u>	<u>\$ 240,000</u>

**BARROW COUNTY, GEORGIA
CAPITAL PROJECTS SPLOST FUNDS
SEPTEMBER 30, 2011**

SPLOST Schedules:

2001 SPLOST

On March 20, 2001, the citizens of Barrow County voted to renew the one-penny sales tax. The revenues collected were to be used for roads, streets, bridges, recreational facilities, water projects, sewer lines and Bear Creek debt payments,

2005 SPLOST

On June 21, 2005, a referendum was held on the question of a 1% Special Purpose Local Option Sales Tax (SPLOST) being imposed in the County and was approved by the voters. The revenues collected were to pay for roads, Bear Creek debt payments, new Criminal Justice Facility, Animal Control Facility, Cultural Arts Facility, Emergency 911 Facility, Fire Station(s), Fire Training Center, Courthouse Renovations, Health Department, West Winder By-Pass, Recreational Facilities, Sewer Facilities and Airport Improvements.

BARROW COUNTY, GEORGIA
SCHEDULE OF EXPENDITURE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
2001 ISSUE
FISCAL YEAR ENDED SEPTEMBER 30, 2011

PROJECT	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	FISCAL PRIOR YEARS	CURRENT YEAR	TOTAL
ROADS, STREETS AND BRIDGES	\$ 10,772,000	\$ 10,772,000	\$ 9,362,105	\$ 137,043	\$ 9,499,148
RENOVATION OF COUNTY ANNEX BUILDING	2,000,000	2,123,021	2,123,021	-	2,123,021
WORK RELEASE FACILITY	1,000,000	1,023,179	1,023,179	-	1,023,179
SENIOR CITIZENS CENTER	600,000	599,282	599,282	-	599,282
RECREATIONAL FACILITIES	2,500,000	2,500,000	2,450,478	47,057	2,497,535
BEAR CREEK DEBT PAYMENTS	10,000,000	10,000,000	10,000,000	-	10,000,000
PURCHASE OF LAND FOR FUTURE NEEDS	3,000,000	3,000,000	2,509,248	-	2,509,248
FIRE STATIONS	800,000	884,034	884,034	-	884,034
WATER PROJECTS	3,000,000	3,000,000	3,000,000	-	3,000,000
SEWER LINES	<u>3,600,000</u>	<u>4,622,587</u>	<u>4,531,630</u>	<u>36,747</u>	<u>4,568,377</u>
	<u>\$ 37,272,000</u>	<u>\$ 38,524,103</u>	<u>\$ 36,482,977</u>	<u>\$ 220,848</u>	<u>\$ 36,703,825</u>

Note:

Actual cost of County Annex Renovations was \$123,021 over the original estimate. The increase was due to the cost of furniture.

Actual cost of the Work Release Facility was \$23,179 over the original estimate. The overage was mainly due to Water Tap Fee and Fire Line installation.

The actual cost of the Fire Stations was \$84,034 more than the original estimate. That increase was due to land cost and the cost of furniture.

Additional funding on these projects came from reserves.

The balance of the projects are on schedule and in line with estimates.

BARROW COUNTY, GEORGIA
SCHEDULE OF EXPENDITURE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
2005 ISSUE
FISCAL YEAR ENDED SEPTEMBER 30, 2011

PROJECT	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	FISCAL PRIOR YEARS	CURRENT YEAR	TOTAL
UNDIVIDED INTEREST IN BEAR CREEK	\$ 5,400,000	\$ 5,400,000	\$ 3,039,483	\$ 900,000	\$ 3,939,483
ROADS	8,649,030	8,649,030	3,739,330	509,623	4,248,953
CRIMINAL JUSTICE FACILITY	46,400,000	51,738,986	51,582,122	10,040	51,592,162
E-911 FACILITY	1,500,000	1,500,000	1,609,140	1,941	1,611,081
FIRE STATION(S) AND TRAINING CENTER	2,500,000	2,500,000	2,212,377	-	2,212,377
COURTHOUSE RENOVATIONS	4,250,000	4,224,793	251,770	308,082	559,852
CULTURAL ARTS CENTER	3,000,000	3,000,000	121,060	-	121,060
WEST WINDER BYPASS	4,000,000	4,000,000	145,061	42,072	187,133
HEALTH DEPARTMENT FACILITY	1,000,000	1,000,000	997	-	997
PARK AND RECREATION FACILITIES	3,930,162	3,930,162	-	-	-
SEWER FACILITIES	1,716,862	1,716,862	-	-	-
AIRPORT IMPROVEMENTS	500,000	500,000	-	-	-
ANIMAL CONTROL FACILITIES	1,500,000	1,538,962	1,582,303	-	1,582,303
CITY OF AUBURN - STREETS	2,333,040	2,333,040	900,100	174,596	1,074,696
CITY OF BETHLEHEM - STREETS	307,726	307,726	118,195	22,927	141,122
TOWN OF CARL - STREETS	86,984	86,984	33,771	6,551	40,322
CITY OF STATHAM - STREETS	600,000	600,000	231,844	44,972	276,816
CITY OF WINDER - STREETS	4,500,736	4,500,736	1,736,556	336,847	2,073,403
TOWN OF BRASELTON - RECREATION	<u>351,688</u>	<u>351,688</u>	<u>135,728</u>	<u>26,327</u>	<u>162,055</u>
	<u>\$ 92,526,228</u>	<u>\$ 97,878,969</u>	<u>\$ 67,439,837</u>	<u>\$ 2,383,977</u>	<u>\$ 69,823,814</u>

Note:

- (1) The funds shown for the Criminal Justice Facility, Fire station and training center, and the Animal Control Facility include funds disbursed from funds received from the issuance of the \$58,000,000 General Obligation Sales Tax Bond, Series 2005.
- (2). Payments for the general obligation bond of \$2,075,000 towards principal and \$2,415,665 interest payment are not reflected in the above schedule.



Statistical Section

**BARROW COUNTY, GEORGIA
STATISTICAL SECTION
SEPTEMBER 30, 2011**

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends (Schedules 1-4)	94-98
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time	
Revenue Capacity (Schedules 5-9)	99-103
These schedules contain information to help the reader assess the County's most significant local revenue sources: the property tax and sales tax.	
Debt Capacity (Schedules 10-14)	104-108
These schedules present information to help th reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information (Schedules 15-16)	109-110
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's finacnial activities take place.	
Operating Information (Schedule 17-19)	111-113
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

For some schedules included in this section, a full ten years of data is not availables

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year

Schedule 1
Barrow County, Georgia
Net Assets by Component
Last Nine Years
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010 - restated	2011
Governmental activities									
Invested in capital assets, net of related debt	\$ 29,602,328	\$ 35,251,565	\$ 40,944,743	\$ 44,262,873	\$ 54,879,707	\$ 41,732,373	\$ 52,116,715	\$ 57,375,698	57,390,634
Restricted	8,270,862	10,832,844	9,379,739	7,747,979	10,783,099	26,638,680	16,344,560	18,374,870	18,809,891
Unrestricted	<u>10,737,241</u>	<u>11,001,702</u>	<u>12,300,403</u>	<u>14,878,025</u>	<u>9,467,648</u>	<u>6,997,274</u>	<u>5,867,384</u>	<u>4,948,300</u>	<u>6,237,518</u>
Total governmental activities net assets	<u>\$ 48,610,431</u>	<u>\$ 57,086,111</u>	<u>\$ 62,624,885</u>	<u>\$ 66,888,877</u>	<u>\$ 75,130,454</u>	<u>\$ 75,368,327</u>	<u>\$ 74,328,659</u>	<u>\$ 80,698,868</u>	<u>\$ 82,438,043</u>
Business-type activities									
Invested in capital assets, net of related debt	\$ 16,335,509	\$ 16,481,085	\$ 17,594,927	\$ 19,219,498	\$ 27,195,471	\$ 27,933,031	\$ 28,209,059	\$ 29,422,542	29,163,888
Unrestricted	<u>(22,766)</u>	<u>318,146</u>	<u>599,383</u>	<u>2,220,208</u>	<u>3,370,936</u>	<u>3,707,667</u>	<u>2,338,080</u>	<u>104,893</u>	<u>274,008</u>
Total business-type activities net assets	<u>\$ 16,312,743</u>	<u>\$ 16,799,231</u>	<u>\$ 18,194,310</u>	<u>\$ 21,439,706</u>	<u>\$ 30,566,407</u>	<u>\$ 31,640,698</u>	<u>\$ 30,547,139</u>	<u>\$ 29,527,435</u>	<u>\$ 29,437,896</u>
Primary government									
Invested in capital assets, net of related debt	\$ 45,937,837	\$ 51,732,650	\$ 58,539,670	\$ 63,482,371	\$ 82,075,178	\$ 69,665,404	\$ 80,325,774	\$ 86,798,240	\$ 86,554,522
Restricted	8,270,862	10,832,844	9,379,739	7,747,979	10,783,099	26,638,680	16,344,560	18,374,870	18,809,891
Unrestricted	<u>10,714,475</u>	<u>11,319,848</u>	<u>12,899,786</u>	<u>17,098,233</u>	<u>12,838,584</u>	<u>10,704,941</u>	<u>8,205,464</u>	<u>5,053,193</u>	<u>6,511,526</u>
Total primary government net assets	<u>\$ 64,923,174</u>	<u>\$ 73,885,342</u>	<u>\$ 80,819,195</u>	<u>\$ 88,328,583</u>	<u>\$ 105,696,861</u>	<u>\$ 107,009,025</u>	<u>\$ 104,875,798</u>	<u>\$ 110,226,303</u>	<u>\$ 111,875,939</u>

Schedule 2
Barrow County, Georgia
Changes in Net Assets, Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010 - restated	2011
Expenses									
Governmental Activities									
General government	\$ 5,865,660	\$ 5,520,703	\$ 6,142,340	\$ 6,281,798	\$ 6,935,337	\$ 7,039,912	\$ 6,698,808	\$ 8,801,693	\$ 7,891,169
Judicial	1,836,653	2,044,548	2,142,219	2,497,688	2,729,447	2,973,306	3,582,096	2,837,367	3,047,533
Public safety	11,165,019	12,203,227	14,241,444	17,582,029	20,312,720	21,110,029	21,475,769	21,916,777	21,787,947
Public works	4,400,260	2,002,576	5,319,571	3,066,980	2,690,236	4,382,633	3,732,911	3,085,370	3,154,020
Health and welfare	791,216	859,841	977,717	1,078,945	67,773	787,609	839,890	687,778	611,622
Culture and recreation	1,638,556	1,240,838	1,651,581	1,407,885	1,628,392	1,107,317	955,908	915,803	884,379
Housing and development	528,852	197,671	530,267	745,959	1,537,518	2,283,521	954,486	453,395	326,365
Interest on long term debt	171,967	129,383	101,932	1,353,488	1,534,713	2,747,504	2,838,927	2,023,550	2,386,926
Total governmental activities expenses	26,398,183	24,198,787	31,107,071	34,014,772	37,436,136	42,431,831	41,078,795	40,721,733	40,089,961
Business-type activities									
Sewerage treatment	292,527	349,814	464,969	685,992	1,400,014	1,653,951	1,641,405	2,569,153	1,753,166
Water transmission	2,460,786	2,493,695	2,652,971	2,525,526	2,722,634	2,629,586	2,501,833	2,596,396	2,508,974
Stormwater	-	-	-	-	-	-	-	292,967	454,944
Total business-type activities expenses	2,753,313	2,843,509	3,117,940	3,211,518	4,122,648	4,283,537	4,143,238	5,458,516	4,717,084
Total primary government expenses	\$ 29,151,496	\$ 27,042,296	\$ 34,225,011	\$ 37,226,290	\$ 41,558,784	\$ 46,715,368	\$ 45,222,033	\$ 46,180,249	\$ 44,807,045
Program Revenues									
Governmental Activities									
Charges for services	\$ 1,631,392	\$ 1,883,116	\$ 2,259,500	\$ 2,210,527	\$ 2,246,952	\$ 1,579,490	\$ 1,499,288	\$ 1,967,868	\$ 1,434,003
General government	1,847,216	2,304,867	2,018,388	2,072,682	2,687,788	2,262,923	2,287,329	2,727,946	2,888,169
Judicial	1,506,896	1,833,301	1,694,975	2,243,690	2,984,206	2,249,672	2,898,544	3,248,327	3,067,011
Public safety	1,120,820	1,169,814	1,303,928	1,128,278	1,555,127	530,798	974,922	-	537,251
Public works	175,518	186,901	322,835	322,701	331,655	243,624	229,779	206,620	227,619
Culture and recreation	-	-	-	-	-	1,205,656	910,783	700,331	873,838
Housing and development	420,402	650,637	194,702	903,221	1,132,978	268,502	304,511	363,731	971,570
Operating grants and contributions	5,874,107	2,714,715	3,591,841	402,036	473,563	34,386	9,442	1,934,789	44,646
Capital grants and contributions	12,576,351	10,743,351	11,276,169	9,283,135	11,412,269	8,375,051	9,114,598	11,149,612	10,044,107
Total governmental activities program revenues									
Business-type activities									
Charges for services	124,016	417,901	494,931	810,650	2,136,643	1,230,244	455,196	837,474	1,251,475
Sewerage treatment	391,761	779,752	1,011,123	1,125,242	1,370,731	1,260,158	1,254,231	1,328,692	1,478,307
Water transmission	-	-	-	-	-	-	-	461,945	472,163
Stormwater	-	-	-	-	-	-	-	80,251	-
Operating grants and contributions	10,487,368	525,393	867,830	226,650	8,471,759	1,317,910	854,975	726,993	520,680
Capital grants and contributions	11,003,145	1,723,046	2,373,884	2,162,542	11,979,133	3,808,312	2,564,402	3,435,355	3,722,625
Total business-type activities program revenues	\$ 23,579,496	\$ 12,466,397	\$ 13,650,053	\$ 11,445,677	\$ 23,391,402	\$ 12,183,363	\$ 11,679,000	\$ 14,584,967	\$ 13,766,732

(continued)

Schedule 2 (continued)
Barrow County, Georgia
Changes in Net Assets, Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010 - restated	2011
Net (Expense)/Revenue	\$ (13,821,832)	\$ (13,455,436)	\$ (19,830,902)	\$ (24,731,637)	\$ (26,023,867)	\$ (34,056,780)	\$ (31,964,197)	\$ (29,572,121)	\$ (30,045,854)
Governmental Activities	8,249,832	(1,120,463)	(744,056)	(1,048,976)	7,856,485	(475,225)	(1,578,836)	(2,023,161)	(994,459)
Business-type activities	\$ (5,572,000)	\$ (14,575,899)	\$ (20,574,958)	\$ (25,780,613)	\$ (18,167,382)	\$ (34,532,005)	\$ (33,543,033)	\$ (31,595,282)	\$ (31,040,313)
Total primary government net expense									
General Revenues and Other Changes in Net Assets									
Governmental Activities	\$ 7,777,212	\$ 9,869,020	\$ 11,582,353	\$ 13,259,425	\$ 15,069,411	\$ 16,217,142	\$ 16,844,383	\$ 16,730,759	\$ 17,180,883
Taxes	172,036	189,642	195,857	216,761	244,332	239,986	244,946	247,076	255,338
Property taxes	10,145,303	11,552,174	12,642,388	15,337,695	14,925,419	14,730,372	11,672,732	12,598,996	12,973,150
Alcoholic beverages taxes	1,562,368	1,640,842	1,920,734	2,045,279	179,646	213,217	224,078	1,818,670	1,753,681
Sales taxes	375,694	285,099	703,905	2,233,137	1,967,181	1,859,209	2,080,469	141,182	53,528
Other taxes	-	-	-	-	2,983,897	2,053,837	708,687	-	-
Unrestricted investment earnings	-	-	-	-	152,725	453,795	270,745	699,826	472,709
Payments from primary government	161,800	-	-	190,727	-	-	-	302,245	-
Other revenues	-	-	-	-	(1,257,167)	(1,472,905)	(1,121,511)	(1,002,922)	(904,260)
Gain on sale of capital assets	(1,526,550)	(1,605,662)	(2,099,903)	(4,287,395)	(1,257,167)	(1,472,905)	(1,121,511)	(1,002,922)	(904,260)
Transfers	18,667,863	21,931,115	24,945,334	28,995,629	34,265,444	34,294,653	30,924,529	31,535,832	31,785,029
Total governmental activities									
Business-type activities	1,356	1,289	4,278	6,963	13,049	76,612	35,527	535	660
Unrestricted investment earnings	1,526,550	1,605,662	2,099,903	4,287,395	1,257,167	1,472,905	449,750	1,002,922	904,260
Transfers	1,527,906	1,606,951	2,104,181	4,294,358	1,270,216	1,549,517	485,277	1,003,457	904,920
Total business-type activities	\$ 20,195,769	\$ 23,538,066	\$ 27,049,515	\$ 33,289,987	\$ 35,535,660	\$ 35,844,170	\$ 31,409,806	\$ 32,539,289	\$ 32,689,949
Total primary government									
Change in Net Assets									
Governmental Activities	\$ 4,846,031	\$ 8,475,679	\$ 5,114,432	\$ 4,263,992	\$ 8,241,577	\$ 237,873	\$ (1,039,668)	\$ 1,963,711	\$ 1,739,175
Business-type activities	9,777,738	486,488	1,360,125	3,245,382	9,126,701	1,074,292	(1,093,559)	(1,019,704)	(89,539)
Total primary government	\$ 14,623,769	\$ 8,962,167	\$ 6,474,557	\$ 7,509,374	\$ 17,368,278	\$ 1,312,165	\$ (2,133,227)	\$ 944,007	\$ 1,649,636

Schedule 3
Barrow County, Georgia
Fund Balances, Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010 - restated	2011
General Fund									
Reserved	\$ 10,543	\$ 55,684	\$ 447,842	\$ 20,623	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	9,812,252	10,777,160	8,931,897	7,727,356	9,022,937	6,723,716	4,701,149	4,544,466	4,544,466
Total general fund	<u>\$ 9,822,795</u>	<u>\$ 10,832,844</u>	<u>\$ 9,379,739</u>	<u>\$ 7,747,979</u>	<u>\$ 9,022,937</u>	<u>\$ 6,723,716</u>	<u>\$ 4,701,149</u>	<u>\$ 4,544,466</u>	<u>\$ 4,544,466</u>
All Other Governmental Funds									
Reserved									
Capital projects funds	\$ 8,270,862	\$ 10,210,795	\$ 11,239,826	\$ 70,617,702	\$ 65,726,049	\$ 26,638,679	\$ 16,344,560	\$ 17,632,977	\$ 17,632,977
Unreserved, reported in:									
Special revenue funds	991,832	695,301	819,459	576,665	408,389	273,556	591,496	966,207	966,207
Total all other governmental funds	<u>\$ 9,262,694</u>	<u>\$ 10,906,096</u>	<u>\$ 12,059,285</u>	<u>\$ 71,194,367</u>	<u>\$ 66,134,438</u>	<u>\$ 26,912,235</u>	<u>\$ 16,936,056</u>	<u>\$ 18,599,184</u>	<u>\$ 18,599,184</u>
General Fund									
Nonspendable									\$ 89,597
Committed									664,491
Assigned									51,139
Unassigned									5,938,497
Total general fund									<u>\$ 6,743,724</u>
All Other Governmental Funds									
Restricted For:									
Capital Projects									\$ 18,512,230
Emergency Services									22,365
Law Enforcement									63,505
Law Library									172,720
Economic activities									39,071
Committed For:									
Inmate Use									28,867
Assigned:									
Emergency Services									191,216
Law Enforcement									19,279
Total for other governmental funds									<u>\$ 19,049,253</u>
Total for all governmental funds									<u>\$ 25,792,977</u>

Note: Beginning in fiscal year 2011, fund balance is reported under categories using the definitions provided by GASB Statement No. 54.

Schedule 4
Barrow County, Georgia
Changes in Fund Balances, Governmental Funds
Last Nine Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010 - restated	2011
Revenues									
Taxes	\$ 19,691,862	\$ 23,046,943	\$ 26,247,391	\$ 30,738,791	\$ 32,348,783	\$ 33,259,926	\$ 31,141,280	\$ 31,606,939	\$ 31,805,853
Licenses and permits	978,947	1,125,908	1,205,014	1,141,624	1,194,936	800,085	395,942	343,503	418,261
Intergovernmental	541,809	1,357,762	510,319	1,195,232	1,579,938	461,914	892,669	892,669	971,570
Charges for services	3,998,921	4,524,477	4,596,660	4,882,739	6,703,631	5,584,718	6,547,824	6,177,845	6,704,999
Fines and forfeitures	1,301,386	1,727,614	1,456,654	1,574,462	1,743,764	1,687,360	1,914,055	1,853,920	1,904,631
Interest	375,694	285,099	703,905	2,233,137	2,983,897	2,053,837	708,687	143,610	81,174
Other	182,399	179,440	269,524	679,805	342,725	288,365	214,250	660,349	472,709
Total revenues	27,071,018	32,247,243	34,989,467	42,445,790	46,897,674	44,142,607	41,383,952	41,678,835	42,359,197
Expenditures									
General government	5,677,959	5,072,328	5,884,197	6,139,944	6,697,914	6,686,345	6,236,591	5,656,275	5,619,479
Judicial	1,835,724	2,073,697	2,137,095	2,482,072	2,843,316	2,918,008	2,871,164	2,832,853	2,928,912
Public safety	13,785,716	12,114,387	15,110,544	17,800,236	19,844,926	20,308,616	20,680,850	19,911,681	19,094,775
Public works	3,955,294	1,930,488	1,957,816	2,820,667	3,080,709	2,798,327	2,346,593	1,759,918	1,661,082
Health and welfare	765,607	800,562	925,087	939,646	661,472	689,474	705,503	591,718	507,571
Culture and recreation	966,751	1,138,357	1,310,678	1,315,418	978,242	950,144	781,322	751,079	700,385
Housing and development	521,665	437,701	561,044	727,538	1,553,342	2,260,461	909,700	438,473	319,115
Intergovernmental	-	-	-	-	-	-	-	568,082	1,781,928
Capital outlay	-	3,188,925	4,161,669	3,631,923	14,236,465	44,128,152	12,032,730	2,290,957	1,088,688
Debt service:									
Principal	1,055,000	1,095,000	1,195,966	1,185,000	345,628	2,567,800	2,859,016	2,953,196	2,683,912
Interest	179,000	136,683	97,084	46,893	1,363,655	2,709,518	2,874,090	3,449,749	2,428,432
Total expenditures	28,742,716	27,988,128	33,341,180	39,873,526	51,605,669	86,016,845	52,297,559	41,203,981	38,814,279
Excess (deficiency) of revenues over (under) expenditures	(1,671,698)	4,259,115	1,648,287	2,572,264	(4,707,995)	(41,874,238)	(10,913,607)	474,854	3,544,918
Other Financing Sources (Uses)									
Sale of general capital assets	-	-	151,700	-	140,191	157,719	36,372	302,245	-
Proceeds from capital lease	-	-	-	8,523	2,040,000	1,668,000	-	-	-
Proceeds from bond issuance	-	-	-	58,000,000	-	-	-	-	-
Premium on bond issuance	-	-	-	1,209,930	-	-	-	-	-
Transfers in	283,880	925,016	242,542	909,804	831,565	213,429	484,722	452,926	4,406
Transfers out	(1,810,430)	(2,530,678)	(2,342,445)	(5,197,199)	(2,088,732)	(1,686,334)	(1,606,233)	(1,029,586)	(900,000)
Total other financing sources (uses)	(1,526,550)	(1,605,662)	(1,948,203)	54,931,058	923,024	352,814	(1,085,139)	(274,415)	(895,594)
Net change in fund balance	\$ (3,198,248)	\$ 2,653,453	\$ (299,916)	\$ 57,503,322	\$ (3,784,971)	\$ (41,521,424)	\$ (11,998,746)	\$ 200,439	\$ 2,649,324
Debt service as a percentage of noncapital expenditures	4.3%	5.0%	4.4%	3.4%	4.6%	12.6%	14.2%	16.5%	13.6%

Schedule 5
Barrow County, Georgia
Assessed Value and Actual Value of Taxable Property
Last Ten Calendar Years
(in thousands of dollars)

Calendar Year Ended December 31	Real and Personal Property	Motor Vehicles	Mobile Homes	Public Utilities	Less Exempt Property (2)	Total Assessed Value	Less Exemptions On Taxable Property	Total Net Taxable Assessed Value	Total Direct Tax Rate (3)	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
2001	1,046,049	113,730	11,742	31,345	(66,234)	1,136,632	(198,396)	938,236	20.85	2,841,580	40.00%
2002	1,173,655	124,737	9,216	31,590	(79,225)	1,259,973	(242,900)	1,017,073	19.15	3,149,933	40.00%
2003	1,255,442	131,201	13,484	33,500	(84,812)	1,348,815	(258,875)	1,089,940	19.15	3,372,038	40.00%
2004	1,562,239	139,081	14,692	36,401	(96,888)	1,655,525	(366,298)	1,289,227	17.75	4,138,813	40.00%
2005	1,726,365	143,935	15,179	36,162	(109,255)	1,812,386	(393,189)	1,419,197	17.75	4,530,965	40.00%
2006	1,876,743	144,709	11,949	44,332	(111,561)	1,966,172	(402,316)	1,563,856	18.75	4,915,430	40.00%
2007	2,197,061	162,656	10,949	48,054	(133,969)	2,284,751	(484,398)	1,800,353	18.75	5,711,878	40.00%
2008	2,283,806	179,364	10,605	48,821	(144,151)	2,378,445	(468,760)	1,909,685	18.75	5,946,113	40.00%
2009	2,214,531	187,364	8,091	55,787	(169,077)	2,296,696	(460,483)	1,836,213	18.75	5,741,740	40.00%
2010	1,811,751	162,275	7,878	54,995	(142,092)	1,894,807	(373,337)	1,521,470	18.75	4,737,018	40.00%

Source: Tax Commissioner's Office.

Note: (1) Under Georgia law, property is assessed for taxes at 40% of fair market value.

(2) In 2002, the value of exempt property was updated.

(3) The direct tax rate is applied against the total net taxable assessed value to levy property taxes.

Schedule 6
Barrow County, Georgia
Direct and Overlapping Property Tax Rates (1)
Last Ten Calendar Years

Calendar Year	Barrow County Direct Rates				Overlapping Rates (2)				Total Direct & Overlapping Rates	
	Basic Rate Unincorporated	Basic Rate Municipalities (3)	Basic Rate Winder	Fire Rate Unincorporated	Fire Rate Municipalities (3)	Fire Rate Winder	State of Georgia	County School District Bond		
2001	5.87	6.85	6.85	1.64	1.64	0.93	0.25	19.50	1.10	20.85
2002	5.38	6.77	6.77	1.62	1.62	1.64	0.25	18.90	0.00	19.15
2003	6.77	6.77	6.77	2.15	2.15	1.64	0.25	18.90	0.00	19.15
2004	6.77	6.77	6.77	2.15	2.15	2.15	0.25	17.50	0.00	17.75
2005	6.77	6.77	6.77	2.15	2.15	2.15	0.25	17.50	0.00	17.75
2006	9.61	9.61	7.57	0.00	0.00	2.15	0.25	18.50	0.00	18.75
2007	9.34	9.34	7.19	0.00	0.00	2.15	0.25	18.50	0.00	18.75
2008	9.34	9.34	7.18	0.00	0.00	3.00	0.25	18.50	0.00	18.75
2009	9.34	9.34	7.18	0.00	0.00	3.00	0.25	18.50	0.00	18.75
2010	10.34	10.34	8.18	0.00	0.00	3.00	0.25	18.50	0.00	18.75

Source: Tax Commissioner's Office.

- Note: (1) Tax rates are per thousand dollars of assessed value.
(2) Barrow County property owners are subject to a property tax levy for the County State of Georgia, and the County School District.
(3) Municipalities Rate Includes: Auburn, Bethlehem, Braselton, Carl, Statham

**Schedule 7
Barrow County, Georgia
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2010			2011		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Anderson Merchandisers	25,199,048	1	1.33	-	-	-
Jackson EMC	\$ 15,979,225	2	0.84 %	7,480,293	5	0.41 %
Johns Manville International	16,735,251	3	0.88	5,630,697	10	0.31
Georgia Transmission	11,260,020	4	0.59	-	-	-
Georgia Power Company	10,893,507	5	0.57	6,945,001	6	0.38
Stepan Company	14,771,848	6	0.78	15,646,450	3	0.85
Chicos Distribution Services	9,620,523	7	0.51	-	-	-
Windstream Georgia Communications	9,210,794	8	0.49	6,012,559	9	0.33
Petco Animal Supplies Inc	8,410,572	9	0.44	-	-	-
Chateau Elan Resorts LLC	8,042,869	10	0.42	13,911,424	4	0.76
Faison-Winder Investors LLC	6,472,151	-	0.34	-	-	-
Harrison Poultry Inc.	6,970,900	-	0.37	6,115,848	8	0.33
Winder Barrow Industrial	4,976,624	-	0.26	-	-	-
Winder HMA Inc	4,910,388	-	0.26	-	-	-
PACGWL LLC	4,914,496	-	0.26	-	-	-
Rhodia Inc	5,671,844	-	0.30	6,677,217	7	0.36
Schuller International Co	-	-	-	28,058,326	1	1.53
Caterpillar Financial	-	-	-	17,416,194	2	0.95
Total	\$ 138,841,012		7.31 %	\$ 113,894,009		6.21 %

Source: Tax Commissioner's Office.

Schedule 8
Barrow County, Georgia
Property Tax Levies and Collections
Last Ten Calendar Years

Calendar Year of Levy	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections In Subsequent Years		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2001	\$ 4,820,570	\$ 4,626,161	96.0 %	\$ 123,800		\$ 4,749,961	98.5 %
2002	4,773,371	4,497,838	94.2	169,990		4,667,828	97.8
2003	5,807,960	5,570,710	95.9	223,368		5,794,078	99.8
2004	7,041,026	6,773,420	96.2	197,049		6,970,469	99.0
2005	7,835,395	7,562,431	96.5	319,787		7,882,218	100.0
2006	11,956,165	11,505,686	96.2	393,048		11,898,734	99.5
2007	13,474,840	12,716,634	94.4	597,496		13,314,130	99.8
2008	14,239,134	13,386,347	94.0	260,562		13,646,909	95.8
2009	14,662,109	13,811,735	94.2	348,411		14,160,146	96.6
2010	14,830,785	14,131,126	95.3	256,381		14,387,507	97.0

Source: Tax Commissioner's Office.

Schedule 9
Barrow County, Georgia
Sales Tax Collections
Last Ten Fiscal Years

	Local Option Sales Tax (LOST)	Special Purpose		Total Sales Taxes
		Percent Increase (Decrease)	Local Option Sales Tax (SPLOST)	
2002	\$ 3,267,826	-	\$ 5,921,783	\$ 9,189,609
2003	3,793,194	16.08	6,352,109	10,145,303
2004	4,351,840	14.73	7,200,334	11,552,174
2005	4,743,986	9.01	7,898,402	12,642,388
2006	5,891,193	24.18	9,446,502	15,337,695
2007	5,748,119	(2.43)	9,177,300	14,925,419
2008	5,647,673	(1.75)	9,082,699	14,730,372
2009	4,472,080	(20.82)	7,200,652	11,672,732
2010	4,821,843	7.82	7,777,153	12,598,996
2011	4,965,362	2.98	8,007,788	12,973,150

Source: Barrow County Finance Department
Note: Both the LOST and SPLOST are \$0.01 tax on each dollar of taxable transactions.

Schedule 10
Barrow County, Georgia
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Guaranteed Revenue Debt	Capital Leases	Water and Sewer Revenue Bonds	Sewerage Treatment Contracts Payable	Water Transmission Contracts Payable					
2002	\$ 4,475,000	\$ -	\$ -	\$ 4,085,000	\$ -	\$ -	\$ 22,348,788	\$ 30,908,788	2.60	%	606
2003	3,420,000	-	-	3,935,000	-	-	21,877,912	29,232,912	2.35		551
2004	2,325,000	-	-	3,780,000	-	-	21,386,400	27,491,400	2.03		489
2005	1,185,000	-	95,734	3,625,000	-	-	20,874,252	25,779,986	1.74		434
2006	58,000,000	-	27,821	13,155,000	9,416,000	18,958,856	18,958,856	99,557,677	6.20		1,579
2007	58,000,000	27,860,000	1,722,193	12,630,000	8,416,000	18,354,784	18,354,784	126,982,977	7.24		1,897
2008	56,120,000	27,860,000	2,693,964	12,085,000	8,289,437	17,726,324	17,726,324	124,774,725	6.49		1,776
2009	54,180,000	27,860,000	1,774,948	11,525,000	8,153,108	17,103,492	17,103,492	120,596,548	6.00		1,671
2010	52,175,000	27,225,000	826,752	10,940,000	8,015,797	16,465,652	16,465,652	115,648,201	8.03		1,667
2011	50,100,000	26,870,000	217,840	10,335,000	10,727,320	15,807,176	15,807,176	114,057,336	N/A		N/A

Details regarding the County's outstanding debt can be found in the Notes to the Financial Statements.

Note: (1) Calculated using amounts from Schedule 15.
N/A - Not available

Schedule 11
Barrow County, Georgia
Ratio of General Bonded Debt Outstanding
Last Ten Calendar Years

Calendar Year	General Obligation Bonds	Percentage of Total Assessed Value of Property	Per Capita (1)
2001	\$ 5,500,000	0.48%	\$ 113
2002	4,475,000	0.36%	88
2003	3,420,000	0.25%	64
2004	2,325,000	0.14%	41
2005	1,185,000	0.07%	20
2006	58,000,000	2.95%	920
2007	58,000,000	2.54%	867
2008	56,120,000	2.36%	799
2009	54,180,000	2.36%	751
2010	52,175,000	2.75%	752

Note: (1) Population data can be found in the Schedule 15 - Demographic and Economic Statistics.

Schedule 12
Barrow County, Georgia
Direct and Overlapping Governmental Activities Debt
As of September 30, 2011

Category of debt:	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct:			
General obligation bonds ⁽¹⁾	\$ 50,100,000	100%	\$ 50,100,000
Intergovernmental contracts ⁽²⁾	53,404,496	100%	53,404,496
Capital leases ⁽³⁾	217,840	100%	217,840
Total	<u>103,722,336</u>		<u>103,722,336</u>
Overlapping:			
Barrow county school district:			
General obligation bonds	64,320,000	100%	64,320,000
Intergovernmental contracts ⁽²⁾	955,491	100%	955,491
Capital leases ⁽³⁾	-	100%	-
Total	<u>65,275,491</u>		<u>65,275,491</u>
Winder:			
Intergovernmental contracts ⁽²⁾	17,050,453	100%	17,050,453
Capital leases ⁽³⁾	1,552,005	100%	1,552,005
Total	<u>18,602,458</u>		<u>18,602,458</u>
Braselton:			
Intergovernmental contracts ⁽²⁾⁽⁴⁾	1,855,432	100%	1,855,432
Statham:			
Intergovernmental contracts ⁽²⁾	3,008,348	100%	3,008,348
Capital leases ⁽³⁾	-	100%	-
Total	<u>3,008,348</u>		<u>3,008,348</u>
Auburn:			
Intergovernmental contracts ⁽²⁾	2,380,671	100%	2,380,671
Capital leases ⁽³⁾	-		-
Total overlapping:	<u>2,380,671</u>		<u>2,380,671</u>
Total	<u>2,380,671</u>		
Bethlehem:			
Intergovernmental contracts ⁽²⁾	10,356	100%	10,356
Total	<u>10,356</u>		
Total overlapping:	<u>91,132,756</u>		<u>91,132,756</u>
Total direct and overlapping:	<u>\$ 194,855,092</u>		<u>\$ 194,855,092</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of Barrow County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Barrow County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- (1) Represents general obligations of the governmental entity to which its full faith and credit are pledged. It constitutes debt for purposes of the constitutional debt limit described in "Legal Debt Margin of the County" here in. The county cannot incur long term obligations payable out of general property taxes without the approval of a majority of the qualified voters voting at an election called to approve the obligation.
- (2) Represents contractual obligations of the governmental entity to which its full faith and credit and taxing power are pledged. It does not constitute debt for the purposes of the constitutional debt limit. It includes loans from Georgia Environmental Facilities Authority and the State Revolving Fund, which are generally paid with water and sewer revenues.
- (3) Represents contractual obligations of the governmental entity that are subject to annual appropriations. It does not constitute debt for the purposes of the constitutional debt limit.
- (4) Braselton lies within four counties. Includes only the portion allocable to Barrow County (24%).

Source: School district and the municipalities

Schedule 13
Barrow County, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 113,663,200	\$ 125,997,300	\$ 134,881,500	\$ 165,552,500	\$ 181,238,600	\$ 196,617,200	\$ 228,475,100	\$ 237,844,500	\$ 229,669,600	\$ 189,480,700
Total net debt applicable to limit	5,500,000	4,475,000	3,420,000	2,325,000	1,185,000	-	-	-	-	-
Legal debt margin	\$ 108,163,200	\$ 121,522,300	\$ 131,461,500	\$ 163,227,500	\$ 180,053,600	\$ 196,617,200	\$ 228,475,100	\$ 237,844,500	\$ 229,669,600	\$ 189,480,700
Total net debt applicable to limit as a percentage of debt limit	4.84%	3.55%	2.54%	1.40%	0.65%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed Value	\$ 1,894,807,000
Debt Limit (10% of total assessed value)	189,480,700
Debt applicable to limit	-
Legal Debt Margin	\$ 189,480,700

Note:

- Under State law, the County's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.
- The County's balance on its obligation bonds as of end of fiscal year 2011 is \$52,175,000. The County anticipates paying its general obligation bonds of \$52,175,000 with the proceeds of a one percent sales and use tax approved by the tax payers.

Schedule 15
Barrow County, Georgia
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2001	48,468	1,177,055,000	24,291	3.9 %
2002	51,000	1,189,796,000	23,343	4.7
2003	53,092	1,241,915,000	23,412	4.7
2004	56,223	1,356,843,000	24,157	4.5
2005	59,354	1,477,976,000	24,901	4.7
2006	63,045	1,605,441,000	25,465	4.2
2007	66,926	1,754,944,000	26,222	4.3
2008	70,256	1,921,981,000	27,357	6.3
2009	72,158	2,009,967,000	27,855	10.4
2010	69,367	1,440,059,000	25,134	10.3

Source: The University of Georgia, The 2008 - 2009 Georgia County Guide
 Georgia Department of Labor
 US Census Bureau

Schedule 16
Barrow County, Georgia
Principal Employers
Current Year and Nine Years Ago

Employer	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Barrow County School System	2,005	1	15.71 %	1,350	1	10.58 %
Harrison Poultry	945	2	7.40	876	2	6.86
Chico's FAS, Inc.	630	3	4.94	-	-	-
Republic Services	550	4	4.31	-	-	-
Barrow County	480	5	3.76	360	6	2.82
Chateau Elan Resort & Winery	390	6	3.06	650	3	5.09
Wal-Mart	355	7	2.78	-	-	-
Johns Manville International	300	8	2.35	330	7	2.59
Anderson Merchandisers	275	9	2.15	369	5	2.89
Barrow Regional Medical Ctr.	270	10	2.12	-	-	-
Athens Packaging/Keebler	-	-	-	550	4	4.31
United Waste Services	-	-	-	300	8	2.35
Ty Cobb Health Systems/ Barrow Hospital	-	-	-	225	9	1.76
City of Winder	-	-	-	188	10	1.47
Total	6,200		48.58 %	5,198		40.73 %

Source: Georgia Department of Labor
Chamber of Commerce
Georgia Department of Economic Development

Schedule 17
 Barrow County, Georgia
 Full-time Government Employees by Function
 Last Ten Fiscal Years

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	56	60	65	67	64	68	67	67	55	55
Judicial	23	28	28	32	40	41	41	41	36	36
Public safety	180	202	218	246	273	286	327	326	310	314
Public works	26	28	28	29	42	44	47	49	35	35
Health and welfare	5	5	6	6	6	6	6	6	5	5
Culture and recreation	6	6	6	8	9	9	10	9	8	8
Housing and development	7	7	7	11	19	19	17	17	9	8
Total	303	336	358	399	453	473	515	515	458	461

Source: Barrow County Budget.

Schedule 18
Barrow County, Georgia
Operating Indicators by Function/Department
Last Nine Fiscal Years

Function/Department	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Sheriff										
Total arrests		N/A	N/A	3,526	4,811	5,369	4,651	4,956	5,221	4,903
Inmates processed		N/A	N/A	3,526	4,811	5,369	4,651	4,956	5,221	4,903
Average inmates per day		N/A	N/A	120	130	137	150	253	255	255
Incident reports written	5,125	5,101	9,617	12,950	10,490	7,006	11,406	12,342	12,834	18,294
Crimes investigated	2,417	2,354	3,050	3,296	3,366	5,501	4,512	4,964	6,543	6,327
E-911										
Calls received via 911	N/A	18,269	26,999	33,033	36,592	41,539	40,482	42,055	41,491	189,887
Emergency incidents dispatched		N/A	60,703							
Fire										
Emergency responses	N/A	N/A	N/A	N/A	2,297	2,517	5,862	7,200	7,653	8,110
Inspections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	137	126	554
Water Authority										
New water meters installed	342	531	547	670	427	352	90	43	22	28
Water business office bills prepared	28,056.0	33,754	39,399	48,940	53,880	59,416	61,162	60,761	61,090	60,005
Daily water retail (in millions)	0.618	0.533	0.679	0.843	1,142	1,270	0.863	0.989	0.947	0.950
Number of plans reviewed	3	10	17	10	9	8	7	4	-	-
Public Works										
Major resurfacing/rehabilitation of pavement (centerline miles)	18	8	6	7	6	16	7	6	17	-
Traffic signal upgrades	-	-	1	-	-	-	-	-	-	-
Vehicles replaced	1	1	-	-	1	1	2	-	-	-
Number of Inspections	260	300	400	500	550	400	200	200	200	200
Airport										
Gallons of fuel sold	268744	225,069	195,251	235,855	184,628	155,516	188,822	153,348	140,883	92,804
Culture and Recreation										
Leisure Services										
Number of program participants	1,600	1,600	1,490	1,490	1,872	2,800	3,094	3,424	3,213	2,467
Number of structures maintained	6	6	6	6	6	6	6	6	6	6

Sources: Various government departments.
Indicators are not available for the general government function.

Schedule 19
Barrow County, Georgia
Capital Asset Statistics by Function/Department
Last Nine Fiscal Years

<u>Function/Department</u>	<u>Fiscal Year</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Public Safety										
Sheriff										
Vehicles	N/A	79	87	95	98	133	125	122	115	125
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Fire trucks	10	10	10	10	10	10	9	10	10	10
Ambulances										9
Public Works										
Public Works										
Lane miles owned and maintained	380	400	420	440	450	460	465	470	476	475
Traffic signals	2	2	6	1	-	-	-	1	1	1
Vehicles	17	18	18	18	18	19	23	23	23	26
Water Authority										
Vehicles	4	4	4	5	6	7	7	7	8	7
Culture and Recreation										
Culture and Recreation										
Community centers	1	1	1	1	1	1	1	1	1	1
Playgrounds	2	2	2	2	2	2	2	2	2	2
Baseball/Softball diamonds	7	7	7	7	7	7	7	10	10	10
Soccer/Football fields	1	1	1	1	1	1	1	1	1	1
Vehicles	2	2	3	3	3	3	3	4	4	4

Sources: Various government departments.
Indicators are not available for the general government function.