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April 28, 2010

Jasper County Board of Commissioners
126 W Greene St
Monticello, GA 31064

Re: Budgetary Control – Expenditures Exceeding the Appropriations

Ladies & Gentlemen:

The purpose of this letter is to provide you with some additional information concerning laws in regards to budgets. Georgia laws (36-81-3) state that any increase in appropriation at the legal level of control of the local government, whether accomplished through a change in anticipated revenues in any fund or through transfer of appropriations among departments shall require the approval of the governing authority. We have performed the annual audit for the year ended December 31, 2009 and have identified the following General Fund Departments where expenditures have exceeded appropriations:

Board of Commissioners	\$ 11,997
Executive	10,174
Tax Commissioners Office	18,477
Tax Assessors	25,136
Elections	8,891
Registrars	9,012
Financial Administration	47,131
Public Buildings	25,947
Code Enforcement Services	4,638
Building Inspection	4,654
Animal Control	18,924
Superior Court	48,130
Probate Court	15,730
Magistrate Court	26,722
Juvenile Court	2,067
Sheriff's Office	17,674
Jail Operations	105,736
Emergency Medical Services	65,247
Emergency Management Agency	34,537
Recreation	94,624
County Extension Service	7,796

Four County Development Authority	27,963
Other	2,553
Jasper County Water Authority	27,860
Interest and Fiscal Charges	12,589
Transfer to Senior Center	7,775
Transfer to Landfill	<u>60,869</u>
Total	<u>\$ 742,853</u>

The County has encountered these budget overages as a result of a number of factors including:

- Inadequate controls over the budget preparation and review process. Major errors have occurred in the budget over the last two years. The County is in the process of addressing the budget process in 2010.
- Inaccurate financial data maintained by the County during the year. Material audit adjustments were needed to fairly state financial information at year end. Interim financial reports, which are used by management for fiscal related decisions, could have been relied upon in error. The County is addressing this problem in the current year.
- Inaccurate allocations of interdepartmental charges for liability insurance, workers compensation and medical insurance. In 2009, the interdepartmental charges were also not timely provided to the individual departments. For 2010, the County plans to adopt a new allocation process based on actual usage from additional reports provided.
- Overspending by departments.
- Other overspending where the Board of Commissioners paid for services that were not included in the original or amended budgets. Examples include Jasper County Water Authority for \$27,860 and interest expense for the Tax Anticipation Loan of \$12,589.
- Other typical situations where unexpected expenditures occurred for goods and services required.

In addition the budgets of the Law Library, Victims Assistance and Senior Center also had expenditures that exceeded appropriations.

The County may at its discretion, modify the 2009 annual budget to eliminate the expenditures currently exceeding appropriations. It is very common for governments to make a final budgetary amendment once final audit numbers are available. If the County elects not to make a final budget amendment, the General Fund departments and the Special Revenue individual funds that had expenditures exceeding appropriation will be reported in the annual audit report as a compliance finding. If this finding is issued, the County will also be required to prepare a Corrective Action Plan to the State Department of Audits. For 2008 we did issue a similar noncompliance finding for Jasper County (page 87) - 2008-07 Budgetary Control Expenditures Exceeding Appropriations.

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We recommend that the County make the final budgetary amendments which would eliminate all expenditures that exceeded appropriations per Attachment A. If you have any questions or need any additional information concerning this matter please contact us.

Sincerely,

Clifton, Lipford, Hardison & Parker, LLC

By 

Mark O. Hardison, CPA

MOH:bjk

CC: Mr. Dennis Recker, County Manager
Enclosure