DADE COUNTY, GEORGIA

FINANCIAL STATEMENTS

DECEMBER 31, 2009

DADE COUNTY, GEORGIA

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DECEMBER 31, 2009

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DADE COUNTY, GEORGIA

COUNTY OFFICIALS

DECEMBER 31, 2009

Ted Rumley	Chairperson / County Executive
Scott Pittman	Commissioner
Robert Goff	Commissioner
Tommy L. Lowery	Commissioner
Peter Cervelli	Commissioner
Don Townsend	County Clerk
Robin Rogers	County Attorney

HENDERSON HUTCHERSON & McCULLOUGH, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Dade County, Georgia
Trenton, Georgia

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Dade County, Georgia, as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the index. These financial statements are the responsibility of the Dade County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dade County Health Department (a component unit), whose statements reflect total assets of $328,620 and total net assets of $307,657 as of June 30, 2009, and total revenues of $445,171 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us and our opinions, insofar as it relates to the amounts included for the Dade County Health Department, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

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 discretely presented component unit, each major fund and the aggregate remaining fund information of Dade County, Georgia, as of December 31, 2009, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2010, on our consideration of Dade County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on page 4 through 11 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dade County, Georgia's basic financial statements. The accompanying schedule of expenditures of federal and state awards, the introductory section on page 1 and the supplemental data section on pages 43 through 44 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards, the introductory section and the supplemental data section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them. The Schedule of Special Purpose Local Option Sales Tax on page 45 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Chattanooga, Tennessee
June 25, 2010

Henderson Hutcherson & McCullough, PLLC

DADE COUNTY, GEORGIA

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED DECEMBER 31, 2009

This section of Dade County's annual financial report presents a narrative overview and analysis of the County's financial performance for the year ended December 31, 2009. Please read it in conjunction with the County's financial statements which follow. This discussion and analysis is intended to serve as an introduction to the County's financial statements. The basic financial statements consist of three parts: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Dade County implemented the reporting model required under Governmental Accounting Standards during fiscal 2004.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with both long-term and short-term information about the County's overall financial status in a manner similar to private-sector businesses. There are two government-wide financial statements.

> **Statement of net assets** – presents information about the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
>
> **Statement of activities** – presents information showing how the County's net assets change during the most recent fiscal year. All current revenues and expenses are taken into account regardless of the timing of the related cash flows. Thus revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

The government-wide financial statements include not only the County itself (known as the primary government) but also one legally separate entity (known as a component unit). The Dade County Health Department, although legally separate, is important because the County is financially accountable for it.

Fund financial statements. The fund financial statements provide more detailed information about the most significant funds – not necessarily the County as a whole. Some funds are required by State or Federal law or by bond covenants; other funds are established by the County Commission to help it control and manage money for designated or restricted purposes, or to show that it is meeting legal responsibilities for how certain taxes, grants and other monies are used. All funds of the County are governmental type funds.

(Continued)

Governmental funds. The County's basic services are included in governmental funds. The focus of these funds is on (1) how cash and other financial assets that can be readily converted to cash were received and used and (2) what remains at the end of the fiscal year for future spending. This detailed short-term view helps in determining whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not include the additional long-term focus of the government-wide financial statements, we provide additional information after the governmental fund statement that explains the difference between the long-term view and the short-term view.

Dade County, Georgia, maintains three governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, capital projects fund and the special revenue fund, all of which are considered to be major funds. The County adopts an annual budget for all three of these funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with these budgets.

Fiduciary funds. The County collects and holds funds for the benefit of other governmental units or private individuals. Funds collected and held by the County for other governments are maintained in agency funds. Funds that are held for the benefit of private individuals are private-purpose trust funds. As these funds are not for the benefit or use of the County, they are excluded from the total government summary.

Notes to financial statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The additional information contained in these notes is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements discussed above, this report also presents supplementary information about the County's insurance coverages and about the value of property supporting the County's tax base and the enacted rates for the past several years.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets. Net assets may serve over time as a useful indicator of the government's financial position. In the case of Dade County, assets exceed liabilities by $14,705,508 at the close of the most recent fiscal year. Over one-half of the County's assets are related to its investment in capital assets such as buildings and equipment. Because capital assets are used to provide services to citizens, the assets are not available for future spending. The remaining balance is available to meet the County's ongoing obligations. A condensed summary of the net assets of the County is provided below.

(Continued)

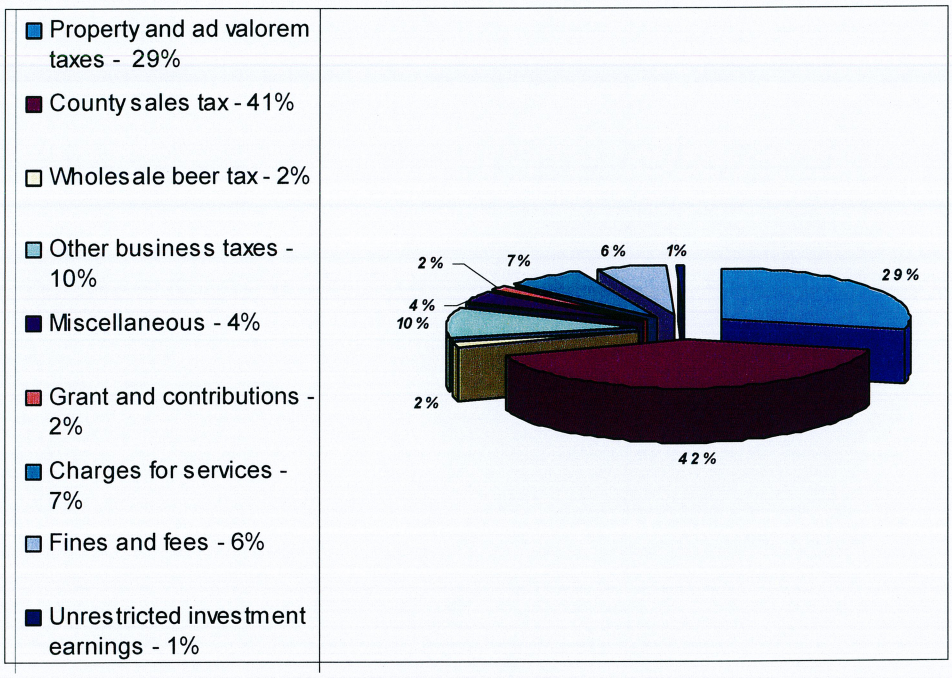
	Governmental Activities	
	2009	**2008**
Current and other assets	$ 9,429,602	$ 11,968,732
Capital assets	12,900,565	11,202,112
Total assets	$22,330,167	$23,170,844
Liabilities		
Other	$ 1,550,925	$ 1,733,650
Long-term	6,073,734	6,789,463
Total liabilities	7,624,659	8,523,113
Net assets		
Invested in capital assets, net of related debt	5,744,613	3,336,938
Restricted	150,422	150,422
Unrestricted	8,810,473	11,160,371
Total net assets	14,705,508	14,647,731
Total liabilities and net assets	$22,330,167	$23,170,844

Changes in net assets. For the fiscal year ending December 31, 2009, net assets of the County increased 0.39% or $57,777.

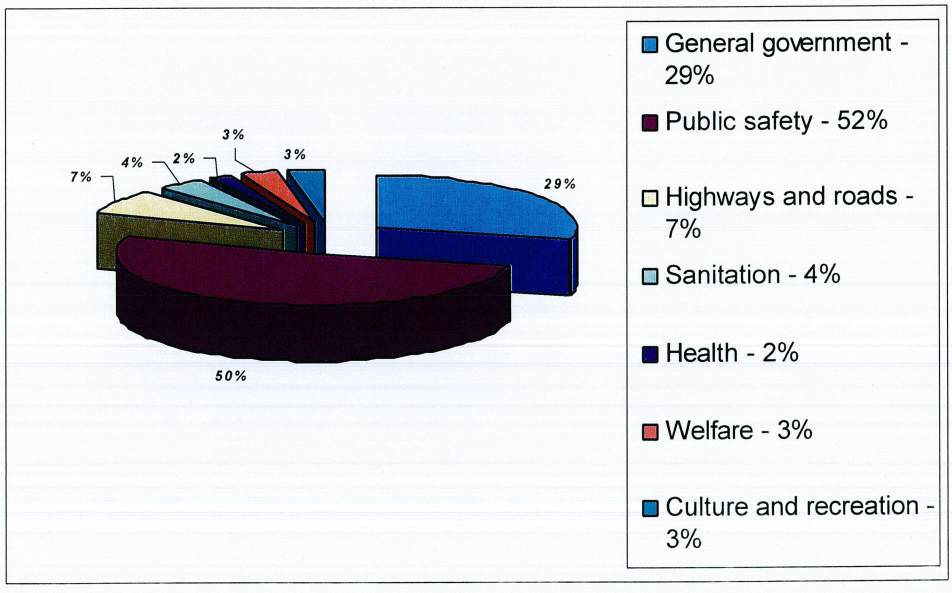
At the end of the current fiscal year, Dade County, Georgia is able to report a positive balance in net assets.

The graphs below summarize the sources of the County's revenues of $9,543,605 and total program expenses of $9,485,828.

Total Revenues by Source



Total Expenditures by Function



A complete picture of the changes in net assets of the County is provided in the summary below.

	Governmental Activities	
	2009	**2008**
REVENUES		
Program revenues		
Charges for services	$ 648,307	$ 570,734
Grants	149,049	256,469
Fines and fees	591,303	647,057
General revenues		
Property and ad valorem taxes	2,752,043	2,927,438
County sales tax	3,897,859	4,482,621
Wholesale beer tax	171,461	165,555
Other business taxes	931,360	938,150
Miscellaneous	361,003	674,851
Investment income	41,220	36,251
Total revenue	9,543,605	10,699,126
EXPENSES		
General government	2,374,243	2,762,924
Public safety	4,891,652	4,832,900
Highways and roads	705,166	634,683
Sanitation	394,405	430,994
Health	176,624	188,241
Welfare	282,738	278,070
Culture and recreation	292,417	335,374
Interest on long-term debt	368,583	112,013
Total expenses	9,485,828	9,575,199
Increase in net assets	57,777	1,123,927
Net assets – beginning of year	14,647,731	13,523,804
Net assets – end of year	$14,705,508	$14,647,731

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Dade County, Georgia uses fund accounting to help it control and manage money for particular purposes or to demonstrate compliance with legal requirements. More detailed analysis is provided below for the County's funds.

Governmental Funds. Governmental funds focus on providing information on the near-term flow of resources. As the County completed the year, its governmental funds reported a fund balance of $5,647,273. Ninety-seven percent of this balance is unreserved, which is available for spending at the County's discretion. Information about the County's governmental funds is presented below.

General fund. This fund is the chief operating fund of the County and $5,011,386 is the current fund balance held in the general fund. The decrease in general fund balance was $(321,693) a 6.00% decrease from the beginning of the fiscal year.

Special revenue fund. This fund separately accounts for all the revenues and costs incurred by the County's Emergency Communications District (E-911). The current fund balance of $(3,262,687) is a decrease from the beginning of the year of $(332,693) or 11.40%.

Capital projects fund. This fund separately accounts for all of the revenues and costs incurred by the County construction or purchase of assets with SPLOST funds. The current fund balance of $3,898,574 is an decrease from the beginning of the year of $(1,799,367) or 31.60%. This decrease is the result of planned expenditures of funds for the purchase or construction of capital assets as contemplated by the SPLOST referendum.

Differences between the original budget and the final amended budget were within the normal course of County business; the increase totaled $50,400 in appropriations.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the year, the County had $12,900,565, net of accumulated depreciation, invested in capital assets. This investment includes land, buildings and improvements, vehicles, equipment and infrastructure (construction in process) as listed in the table below.

	Beginning Balance	Additions	Retirements/ Disposals	Ending Balance
Land	$ 715,036	$ -	$ -	$ 715,036
Buildings and improvements	7,610,683	183,220	42,100	7,751,803
Parks and playgrounds	1,035,849	-	179,670	856,179
Machinery and equipment	6,458,165	1,918,427	523,383	7,853,209
Infrastructure	3,899,648	-	-	3,899,648
Construction in process	75,413	600,042	-	675,455
	19,794,794	2,701,689	745,153	21,751,330
Accumulated depreciation	8,592,682	993,677	735,594	8,850,765
Total capital assets, net of accumulated depreciation	$11,202,112	$1,708,012	$ 9,559	$12,900,565

Major additions for the year are machinery and equipment for various departments of $1,918,427.

As allowed by GASB 34, the County has elected not to record on the books the estimated cost of infrastructure already in place at the time of implementation, thus the total for capital assets does not include existing roads, bridges, sewers or water lines currently in existence.

At the end of the current year, Dade County, Georgia had total bonded debt outstanding of $6,500,000. All of this represents bonds secured by SPLOST revenues issued by the County to fund construction.

Additional information on Dade County's capital assets and long-term debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Dade County, Georgia is situated in the northwest corner of the state and is approximately 20 miles across the state line from Chattanooga, Tennessee, a large urban center. Dade County is a largely rural area of North Georgia devoted to agricultural and recreation activities. Economic activity in the region is slower than that found in much of the State of Georgia, with growth coming in small increments. The area has an unemployment rate that reflects the state average rate, and no significant changes are expected in the coming year. Property tax rates have remained constant for several years with the growth in revenue generated primarily in sales tax collections and the modest economic growth in the community. A county-wide revaluation of property was conducted in 2006 to reflect the true economic growth rate the county has been experiencing.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Ted Rumley, County Executive
Dade County Commission
P.O. Box 613
Trenton, Georgia 30752
706-657-4625

(Continued)

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT (Continued)

Separately issued financial statements may be obtained for the Dade County Health Department which is shown as a component unit of Dade County at the following address:

Dade County Health Department
71 Case Avenue
Trenton, Georgia 30752

DADE COUNTY, GEORGIA

STATEMENT OF NET ASSETS

DECEMBER 31, 2009

	Governmental Activities	Component Unit
ASSETS		
Cash	$ 3,887,820	$ 300,702
Property taxes receivable, net	1,476,509	-
Due from other governments	3,701,940	27,493
Inventory	26,839	425
Other assets	87,536	-
Other receivables	248,958	-
Non-depreciable capital assets	1,390,491	-
Capital assets, net of accumulated depreciation	11,510,074	-
Total assets	$ 22,330,167	$ 328,620
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	$ 323,129	$ 1,377
Due to other governments	-	9,011
Bonds payable - due in one year	1,005,000	-
Bonds payable - due in more than one year	5,495,000	-
Notes payable - due in one year	222,796	-
Notes payable - due in more than one year	433,156	-
Premium on bonds payable	17,904	-
Compensated absences payable	127,674	10,575
Total liabilities	7,624,659	20,963
NET ASSETS		
Invested in capital assets, net of related liabilities	5,744,613	-
Restricted	150,422	-
Unrestricted	8,810,473	307,657
Total net assets	14,705,508	307,657
Total liabilities and net assets	$ 22,330,167	$ 328,620

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

DADE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2009

		Program Revenues		
	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	$ 2,374,243	$ 648,307	$ 41,915	$ -
Public safety	4,891,651	591,303	31,957	-
Highways and roads	705,166	-	75,178	-
Sanitation	394,405	-	-	-
Health	176,624	-	-	-
Welfare	282,738	-	-	-
Culture and recreation	292,417	-	-	-
Interest on long-term debt	368,583	-	-	-
Total primary government	$ 9,485,828	$ 1,239,610	$ 149,050	$ -
Component unit	$ 447,376	$ 152,741	$ 133,144	$ -
General revenues:				
Property and ad valorem taxes				
County sales tax				
Wholesale beer tax				
Other business taxes				
Grants and contribution not restricted to specific programs				
Unrestricted investment earnings				
Miscellaneous				
Total general revenues				
Changes in net assets				
Net assets, beginning of year				
Net assets, end of year				

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

Net (Expense) Revenue and Changes in Net Assets	
Governmental Activities	**Component Unit**
$ (1,684,021)	
(4,268,391)	
(629,988)	
(394,405)	
(176,624)	
(282,738)	
(292,417)	
(368,583)	
(8,097,168)	
	(161,491)
2,752,043	
3,897,859	
171,461	
931,360	
-	155,700
41,220	3,015
361,002	571
8,154,945	159,286
57,777	(2,205)
14,647,731	309,862
$ 14,705,508	$ 307,657

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

DADE COUNTY, GEORGIA

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2009

	General	Capital Projects	Special Revenue	Total Governmental Funds
ASSETS				
Cash	$ 339,734	$ 3,548,085	$ -	$ 3,887,819
Property taxes receivable, net	1,476,509	-	-	1,476,509
Due from other governments	289,751	362,189	-	651,940
Due from other funds	3,258,928	-	-	3,258,928
Inventory	26,839	-	-	26,839
Other receivables	248,958	-	-	248,958
Total assets	$ 5,640,719	$ 3,910,274	$ -	$ 9,550,993
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	$ 260,899	$ 11,700	$ -	$ 272,599
Due to other funds	-	-	3,258,928	3,258,928
Deferred property tax revenue	372,193	-	-	372,193
Total liabilities	633,092	11,700	3,258,928	3,903,720
FUND BALANCES				
Reserved	150,422	-	-	150,422
Unreserved	4,857,205	3,898,574	(3,258,928)	5,496,851
Total fund balances	5,007,627	3,898,574	(3,258,928)	5,647,273
Total liabilities and fund balances	$ 5,640,719	$ 3,910,274	$ -	$ 9,550,993

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

DADE COUNTY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

YEAR ENDED DECEMBER 31, 2009

Amounts reported for governmental activities in the statement of net assets are different because:		
Fund balance		$ 5,647,273
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds		372,194
Long-term assets receivable from other governments are not due until the related long-term liability is due and payable		3,050,000
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net assets. This item consists of the following:		
General obligation bonds	$ 6,500,000	
Add: original issue premiums	17,904	
Subtract: orginal bond costs	(87,536)	
Notes payable	655,952	
Compensated absences	127,674	
	7,213,994	
Accrued interest payable	50,530	
		(7,264,524)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		12,900,565
Net assets of governmental activities		$ 14,705,508

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

DADE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2009

	General	Capital Projects	Special Revenue	Total Governmental Funds
REVENUES				
Taxes	$5,541,813	$2,165,969	$ -	$ 7,707,782
Intergovernmental revenues	149,049	-	-	149,049
Charges for services	348,092	-	300,216	648,308
Fines and forfeitures	591,303	-	-	591,303
Miscellaneous	371,283	40,449	-	411,732
Total revenues	7,001,540	2,206,418	300,216	9,508,174
EXPENDITURES:				
Current:				
General government	1,794,809	-	-	1,794,809
Public safety	3,912,364	-	629,150	4,541,514
Highways and streets	509,346	-	-	509,346
Sanitation	341,430	-	-	341,430
Health	174,278	-	-	174,278
Welfare	274,633	-	-	274,633
Culture and recreation	183,136	-	-	183,136
Debt service:				
Principal	366,000	1,442,052	-	1,808,052
Interest	-	358,172	-	358,172
Capital outlay:				
General government	46,346	878,925	-	925,271
Public safety	25,498	1,654,023	-	1,679,521
Highways and streets	-	667	-	667
Sanitation	21,556	-	-	21,556
Culture and recreation	1,029	64,086	-	65,115
Intergovernmental:				
City of Trenton	-	383,257	-	383,257
Total expenditures	7,650,425	4,781,182	629,150	13,060,757
Excess (deficiency) of revenues over (under) expenditures	(648,885)	(2,574,764)	(328,934)	(3,552,583)
Other financing sources (uses)				
Note proceeds	366,000	732,830	-	1,098,830
Transfers in	-	42,567	-	42,567
Transfers out	(42,567)	-	-	(42,567)
Total other financing services (uses)	323,433	775,397	-	1,098,830
Net change in fund balances	(325,452)	(1,799,367)	(328,934)	(2,453,753)
FUND BALANCE - beginning of year	5,333,079	5,697,941	(2,929,994)	8,101,026
FUND BALANCE - end of year	$5,007,627	$3,898,574	$(3,258,928)	$ 5,647,273

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

DADE COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2009

Amounts reported for governmental activities in the statement of activities on page 14 are different because:		
Net change in fund balances – total governmental funds		$ (2,453,753)
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net assets, net of reclassifications and retirements		2,692,130
Depreciation expense on governmental capital assets are included in the governmental activities in the statement of activities		(993,677)
Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds		69,325
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		44,940
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums and deferred amount on refundings when debt is first used, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment on long-term debt and related items.		
Issue of new debt	(1,098,830)	
Principal paid on debt	1,808,052	
Amortization of bond premium and costs	(19,526)	
Accrued interest	9,116	
		698,812
Change in net assets of governmental activities		$ 57,777

DADE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS - GENERAL FUND

YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts	Variance to Final Budget - Over/ (Under)
	Original	Final		
Revenues				
Taxes –				
Financial institution tax	$ 18,000	$ 18,000	$ 20,109	$ 2,109
Insurance premium tax	687,000	687,000	647,512	(39,488)
Intangible tax	105,000	105,000	53,322	(51,678)
Malt beverage/wine tax	173,000	173,000	171,461	(1,539)
Motor vehicle tags	305,000	305,000	253,466	(51,534)
Property taxes	2,960,000	2,960,000	2,453,636	(506,364)
Real estate transfer tax	20,000	20,000	8,440	(11,560)
State railroad tax	5,000	7,000	14,574	7,574
State sales tax	1,950,000	1,950,000	1,731,890	(218,110)
State of Georgia, TVA in lieu of tax	155,000	155,000	187,403	32,403
Other taxes	8,000	8,000	-	(8,000)
Total taxes	6,386,000	6,388,000	5,541,813	(846,187)
Intergovernmental revenues –				
Department of Transportation grants	133,200	133,200	75,178	(58,022)
Other grants	203,400	225,400	73,871	(151,529)
Total intergovernmental revenues	336,600	358,600	149,049	(209,551)
Charges for services –				
Electrical inspections	10,000	10,000	6,793	(3,207)
Inmate housing	100,000	100,000	115,130	15,130
Recycling sales	30,000	30,000	23,092	(6,908)
Transfer station fees	250,000	250,000	152,196	(97,804)
Erosion control fee	10,500	10,500	-	(10,500)
Vendors fees	25,000	25,000	-	(25,000)
Recreation activity fees	10,000	10,000	5,250	(4,750)
Utilities/fuel reimbursements	-	-	19,898	19,898
Board of Education fees	-	-	18,612	18,612
City of Trenton fees	-	-	4,525	4,525
Miscellaneous fees	-	-	2,596	2,596
Total charges for services	435,500	435,500	348,092	(87,408)

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

DADE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS - GENERAL FUND

YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts	Variance to Final Budget - Over/ (Under)
	Original	Final		
Fines and forfeitures –				
Superior Court	$ 330,000	$ 346,400	$ 247,319	$ (99,081)
Probate Court	220,000	220,000	191,236	(28,764)
Magistrate Court	50,000	50,000	97,504	47,504
Juvenile Court	3,000	3,000	2,336	(664)
Fines for jail staffing, operations	-	-	52,908	52,908
Total fines and forfeitures	603,000	619,400	591,303	(28,097)
Miscellaneous revenues –				
Communication fees	7,500	17,500	27,033	9,533
Drug awareness	-	-	42,586	42,586
Interest	10,000	10,000	3,604	(6,396)
Miscellaneous	384,400	384,400	92,516	(291,884)
Rents	137,000	137,000	136,915	(85)
Sale of surplus equipment	50,000	50,000	52,533	2,533
Victim's assistance	-	-	16,096	16,096
Total miscellaneous revenues	588,900	598,900	371,283	(227,617)
Total revenues	8,350,000	8,400,400	7,001,540	(1,398,860)
Expenditures				
General government –				
Administrative	700,700	703,700	600,754	(102,946)
Tax Commissioner	308,500	308,500	294,206	(14,294)
Extension	59,800	59,800	41,504	(18,296)
Soil conservation	39,900	39,900	39,273	(627)
Registrars	72,000	72,000	71,231	(769)
Tax Assessor	267,700	267,700	251,133	(16,567)
Building maintenance	320,000	320,000	304,034	(15,966)
Planning and development	63,700	63,700	59,657	(4,043)
Courts and administration	47,500	48,000	48,051	51
Maintenance shop	149,000	149,000	131,312	(17,688)
Total general government	2,028,800	2,032,300	1,841,155	(191,145)

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

DADE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS - GENERAL FUND

YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts	Variance to Final Budget - Over/ (Under)
	Original	Final		
Highways and streets	$ 741,500	$ 741,500	$ 509,346	$ (232,154)
Sanitation	486,800	486,800	362,986	(123,814)
Health	172,100	172,100	174,278	2,178
Welfare –				
Welfare	50,500	50,500	51,604	1,104
Public transportation	182,900	182,900	166,393	(16,507)
Economic development	55,000	55,000	56,636	1,636
Total welfare	288,400	288,400	274,633	(13,767)
Public safety –				
Sheriff	1,554,800	1,556,800	1,559,172	2,372
Fire	214,600	214,600	232,506	17,906
Jail	998,100	998,100	1,154,319	156,219
Animal control	13,000	13,000	3,759	(9,241)
Ambulance	125,000	125,000	115,430	(9,570)
Coroner	23,195	23,195	17,120	(6,075)
District Attorney	81,000	81,000	83,647	2,647
Public Defender	75,400	75,400	65,309	(10,091)
Superior Court	288,250	304,650	236,312	(68,338)
Probate Court	228,700	228,700	222,751	(5,949)
Magistrate Court	127,000	135,500	128,749	(6,751)
Juvenile Court	64,500	64,500	87,074	22,574
Emergency management	25,250	45,250	31,714	(13,536)
Total public safety	3,818,795	3,865,695	3,937,862	72,167
Culture and recreation –				
Library	70,800	70,800	70,078	(722)
Senior center	23,000	23,000	15,747	(7,253)
Recreation	142,500	142,500	98,340	(44,160)
Total culture and recreation	236,300	236,300	184,165	(52,135)
Total expenditures	7,772,695	7,823,095	7,284,425	(538,670)

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

DADE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS - GENERAL FUND

YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts	Variance to Final Budget - Over/ (Under)
	Orignal	Final		
Excess of revenues over (under) expenditures	$ 577,305	$ 577,305	$ (282,885)	$ (860,190)
Other financing sources (uses)				
Miscellaneous expenditures	(267,305)	(267,305)	-	267,305
Tax anticipation loan proceeds	-	366,000	366,000	-
Tax anticipation loan payments	-	(366,000)	(366,000)	-
Transfer to/from Capital Projects Fund	-	-	(42,567)	(42,567)
Excess of revenues and other sources over expenditures and other uses		$ 310,000	(325,452)	$ (635,452)
Fund balance - beginning of year			5,333,079	
Fund balance - end of year			$ 5,007,627	

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

DADE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS - SPECIAL REVENUE FUND

YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts	Variance to Final Budget - Over/ (Under)
	Original	Final		
Revenues				
Charges for services –				
E-911 access fees	$ 305,000	$ 305,000	$ 300,216	$ (4,784)
Total charges for services	305,000	305,000	300,216	(4,784)
Total revenues	305,000	305,000	300,216	(4,784)
Expenditures				
Public safety –				
Communications	615,000	615,000	629,150	14,150
Total public safety	615,000	615,000	629,150	14,150
Total expenditures	615,000	615,000	629,150	14,150
Excess of revenues over expenditures	$ (310,000)	$ (310,000)	$ (328,934)	$ (18,934)
Fund balance - beginning of year			(2,929,994)	
Fund balance - end of year			$(3,258,928)	

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

DADE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

DECEMBER 31, 2009

	Private Purpose Trust Funds	Agency Funds
Assets		
Cash	$ 112,252	$ 4,240,844
Restricted cash	70,201	-
Property taxes receivable	-	1,961,796
Total assets	$ 182,453	$ 6,202,640
Liabilities		
Payables to other governments	$ 61,601	$ 3,922,419
Other payables	3,624	2,280,221
Total liabilities	65,225	6,202,640
Net Assets		
Held in trust for others	117,228	-
Total liabilities and net assets	$ 182,453	$ 6,202,640

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

DADE COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2009

	Private Purpose Trust Funds
Additions	
Proceeds from court fines	$ 8,393
Sales of commissary goods	78,855
Interest	1,046
Total additions	88,294
Deductions	
Supplies purchased for library	3,576
Supplies purchased for jail commissary	66,946
Total deductions	70,522
Change in Net Assets	17,772
Net assets at beginning of year	99,456
Net assets at end of year	$ 117,228

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Dade County, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The significant accounting policies of the County are described below.

Reporting Entity

Dade County, Georgia is a legal subdivision of the State and operates under the laws of the State of Georgia. Effective January 1, 2006, the commission structure changed to an at-large, elected county executive, who serves as the chairman of the commission, and four part-time commissioners elected by district.

The financial statements of the County have been prepared in accordance with generally accepted accounting principals (GAAP) as applied to governmental units. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

In June 1999, the GASB issued Statement Number 34, *"Basic Financial Statements and Management Discussion and Analysis for State and Local Governments."* This statement provides for the most significant change in financial reporting in over twenty years and was scheduled for a phased implementation based on the size of the government. There are new reporting requirements regarding a local government's infrastructure – such as roads, bridges, sewers, etc. The County has implemented GASB Number 34 according to its requirements. Additionally, under GASB 34, smaller governments were relieved of the requirement to record the existing infrastructure at the time of implementation, but will record all new infrastructure assets constructed.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement Number 14, *"The Financial Reporting Entity,"* and GAAP. This statement requires that the financial statements present Dade County, Georgia (the primary government) and any component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting one of the following criteria: the primary government is accountable for the component unit (i.e., the primary government appoints the voting majority of the potential component unit board and the primary government is able to impose its will upon the potential component unit) or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Dade County Health Department

The Dade County Health Department provides health care services and health education to the residents of Dade County, Georgia. The Board of the Health Department is composed of seven members, four of which are appointed by the Dade County Commission. The Commission has authority over the budget of the Health Department and is responsible for setting fee rates for services the Health Department provides. The Health Department is presented as a governmental fund type. Complete financial statements may be obtained at the Dade County Health Department's administrative office at: Dade County Health Department, 71 Case Avenue, Trenton, Georgia 30752.

The following related organizations are excluded from the financial reporting entity because the County is not financially accountable for them:

Primary Health Care of Dade County
The Development Authority of Dade County
Dade County Industrial Development Authority
Dade County Department of Family and Children's Services
Hutcheson Medical Center, Inc.

The County appoints a voting majority of the Dade County Department of Family and Children's Services' board.

The following organizations are not related and did not meet the criteria for inclusion in these financial statements:

Dade County Board of Education
Dade County Water and Sewer Authority

Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements

The County's government-wide financial statements include a Statement of Net Assets and a Statement of Activities that report information on all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. These statements present a summary of governmental activities for the County. They also include separate columns for information on the County's component unit.

These statements are presented on an "economic resources measurement focus" and the accrual basis of accounting, as are the fiduciary fund financial statements. Accordingly, all of the County's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the County are reported in three categories 1) charges for services; 2) operating grants and contributions; and 3) capital grants and contributions. Expenses are classified by function for governmental activities. Administrative overhead charges are made to various functions and are included in direct expenses. When an expense is incurred for which both restricted and unrestricted net assets are available, restricted resources are applied first.

The County applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure.

Government Fund Financial Statements

Government fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements. The County has presented all major funds that met those qualifications.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in the current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available for financial expenditures of the current period. Accordingly, revenues are recognized when received in cash, except that revenues subject to accrual (generally sixty days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax and sales tax. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Dade County, Georgia reports the following major governmental funds:

General Fund. 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.

Capital Projects Fund. This fund accounts for the accumulation of resources provided by the Special Purpose Local Option Sales Tax (SPLOST), approved by the voters of Dade County, for use in the purchase or construction of capital assets such as buildings, playgrounds, roads, bridges or sewers.

Special Revenue Fund. This fund accounts for the revenues and costs incurred by the County's Emergency Communications District (E-911). Separate accounting is required due to legal or regulatory provisions or administrative action.

Additionally, the County reports the following fund types:

The private-purpose trust funds are used to account for resources held in trust for the following:

Law Library. This fund is established according to official Code of Georgia Annotated (O.C.G.A.) Title 36-15. Revenue is collected from court costs and must be spent on books, periodicals, etc.

Inmate Trust. This fund accounts for inmate's funds to be used on concessions. The concession profits are to be spent on inmate maintenance.

The agency funds account for the accumulation and distribution of funds performed by officers of the County for the benefit of other governments.

Tax Commissioner. This fund accounts for the collection of property taxes and other local taxes levied by the County Commission, County School Board and the State. Taxes collected are remitted on a monthly basis to the respective taxing authority.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Clerk of Superior Court, Magistrate Court, Probate Court and Juvenile Court. These funds account for the collection of court fines and costs levied within the jurisdictional powers of the elected officials. Amounts collected are disbursed on a monthly basis as prescribed by state law.

Budgets and budgetary accounting. Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the general fund. All annual appropriations lapse at fiscal year end. Budgeted amounts are as originally adopted, or as amended by the Board.

Cash and cash equivalents. Cash and cash equivalents for balance sheet purposes, consist of demand deposits and certificates of deposit with original maturities of three months or less, primarily with local financial institutions.

Restricted cash. In the Fiduciary Funds, restricted cash balances are composed of amounts held by the Clerk of Superior Court for the Indigent Defense Council as well as cash bonds held in the Inmate Trust Fund.

Encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services. Encumbrance accounting is used to assure effective budgetary control and accountability and to facilitate effective cash planning and control. During the current year, Dade County did not utilize encumbrance accounting. Material commitments at year end have been disclosed in the financial statements and the subsequent year's appropriations will provide authority to complete these transactions.

Inventories. Inventories are valued at cost, which approximates market value using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The costs are recorded as expenditures at the time individual inventory items are used (consumption method).

Property taxes. Under State law, a subdivision of the State may levy a property tax. Property tax revenues are recognized on the modified accrual basis. A receivable should be recognized as of the date when an enforceable legal claim to the taxable property arises. This date is known as the "lien date". The receivable should be recognized as of year-end, December 31. The receivable should be recognized for the entire tax levy of the ensuing year. Taxes not expected to be collected within sixty days after the end of the year are recorded as deferred revenue. County tax collections are done by the Dade County Tax Commissioner.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The property tax calendar applicable to the current fiscal year is as follows:

Lien date	January 1, 2009
Levy date	October 1, 2009
Tax bills mailed	October 18, 2009
Payment due dates	October 20 through December 20, 2009
Delinquency date	December 21, 2009

The County-wide tax rate for the 2009 levy year was $19.10 per $1,000 of assessed value which includes the separately assessed County school tax of $12.42, the County government rate of $6.43 and the State of Georgia Rate of $.25. The assessed value of property is approximately forty percent of the appraised (or estimated market) value.

The allowance for uncollectible taxes at December 31, 2009 was $25,726.

Compensated absences. It is the County's policy to permit employees to accumulate earned but unused vacation benefits. Vacation pay is accrued when incurred in the government-wide financial statements. A liability for this amount is reported in governmental funds only if it has matured.

The County's sick time policy does not allow for the accumulation of sick time benefits.

Capital assets. Capital assets, including infrastructure additions are recorded at historical cost. Contributed capital assets are recorded at their estimated fair market value on the date contributed. Capital assets include public domain infrastructure assets consisting of roads, bridges, streets and sidewalks, sewers, lighting systems and drainage systems. The County defines capital assets as assets with an initial, individual cost of more than $1,000 ($10,000 for infrastructure assets) and an estimated useful life of three years or more.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

	Useful Life
Building, improvements, parks and playgrounds	10-50 years
Infrastructure	50 years
Equipment	5-20 years
Vehicles	5 years

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Obligations. In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Similarly, long-term debt and other obligations of the County are recorded as liabilities in the appropriate fund. 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 to the applicable bond premium or discount. Bond issuance costs are reported as deferred charged and amortized over the term of the related debt.

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

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

The County has defined cash and cash equivalents to include cash on hand, demand deposits and cash with fiscal agent. Investments are stated at cost, which approximates fair value.

State statutes authorize the County to invest in obligations of, or obligations guaranteed by the U.S. Government and agencies of corporations of the U.S. Government obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; repurchase agreements; and the Georgia fund 1.

The County, during the year, invested funds in certificate of deposits.

At December 31, 2009, the carrying amount of the County's deposits was $3,887,820 and the bank balance was $4,288,069. The bank balance is categorized below as to credit risk. Category 1 includes deposits either covered by federal depository insurance, by collateral held by the County's agent in the County's name or by the Federal Reserve Banks acting as third party agents. Category 2 includes deposits covered by collateral held by the pledging bank's agent in the County's name. Category 3 includes deposits either uninsured, uncollateralized or covered by collateral held by the pledging bank or its agent, but not in the County's name.

All of the County's deposits were category 1 and insured.

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2009, is as follows:

	Balance January 1, 2009	Additions	Retirements	Balance December 31, 2009
Governmental activities:				
Non-depreciable assets				
Land	$ 715,036	$ -	$ -	$ 715,036
Construction-in-process	75,413	600,042	-	675,455
Total non-depreciable assets	790,449	600,042	-	1,390,491
Depreciable assets				
Buildings and improvements	7,610,683	183,220	42,100	7,751,803
Machinery and equipment	6,458,165	1,918,427	523,383	7,853,209
Roads, bridges and other infrastructure	3,899,648	-	-	3,899,648
Parks and playgrounds	1,035,849	-	179,670	856,179
Total depreciable assets	19,004,345	2,101,647	745,153	20,360,839
Less: accumulated depreciation for:				
Buildings and improvements	1,767,816	224,550	42,100	1,950,266
Machinery and equipment	5,405,164	575,402	514,226	5,466,340
Roads, bridges and infrastructure	408,581	121,389	-	529,970
Parks and playgrounds	1,011,121	72,336	179,268	904,189
Total accumulated depreciation	8,592,682	993,677	735,594	8,850,765
Total depreciable assets	10,411,663	1,126,449	9,559	11,510,074
Capital assets, net	$11,202,112	$ 1,708,012	$ 9,559	$12,900,565

Depreciation expense is charged to functions as follows:

Primary Government - Governmental Activities:	
General government	$ 177,815
Public safety	444,669
Highways and streets	195,152
Sanitation	52,976
Health	2,347
Welfare	8,105
Culture and recreation	112,613
	$ 993,677

NOTE 4 – RETIREMENT PLAN

The County has adopted a deferred compensation plan with the assets being held in trust for the exclusive benefit of participants and their beneficiaries and is being administered by AI-Valic Institutional Services. The Plan was created in accordance with Internal Revenue Code Section 403(b) and is considered a defined contribution plan. The County has no fiduciary relationship with the trust and the plan's assets are not reported in the County's financial statements. All full-time employees of the County that have completed six months of service to the County are eligible to participate.

In accordance with Dade County's policies and procedures manual, the Plan requires that the County matches 100% of the first 3% of the employees salary deferred. The Dade County Commission acts as the trustee for the plan and can amend the Plan provisions and contribution requirements at any time. Vesting in the plan follows a six-year graduated schedule.

Total contributions to the plan for 2009 were $87,686, of which $36,420 was by the County. The Plan incurred a net gain in fair value of investment of $80,172. For the year ended December 31, 2009, the total payroll covered by this plan was $3,504,258. Participating employees totaled 67 as of December 31, 2009.

NOTE 5 – CAPITAL PROJECTS FUND LONG-TERM OBLIGATIONS

General obligation bonds consist of a 2003 sales tax bond for the purpose of funding capital improvements. The original amount of issue was $5,900,000 and is due in annual principal installments of $1,140,000 to $1,230,000 through October 2009 with an interest rate of 2.43%.

General obligation bonds also consist of a 2008 sales tax bond for the purpose of funding capital improvements. The original amount of issue was $6,500,000 and is due in annual principal installments of $1,005,000 to $1,170,000 through November 2015 with interest rates ranging from 4.00% to 5.00%.

Debt service requirements to maturity for the general obligation bonds of the County are as follows:

	Principal	Interest	Total
2010	$1,005,000	$ 285,713	$1,290,713
2011	1,030,000	245,512	1,275,512
2012	1,060,000	204,313	1,264,313
2013	1,100,000	161,912	1,261,912
2014	1,135,000	112,413	1,247,413
2015	1,170,000	58,500	1,228,500
	$6,500,000	$1,068,363	$7,568,363

Interest expense for 2009 charged to general government expense was $368,583.

(Continued)

NOTE 5 – CAPITAL PROJECTS FUND LONG-TERM OBLIGATIONS (Continued)

Capital Lease Payable

On September 18, 2006 the County entered into a capital lease agreement with Ford Motor Credit Company to purchase vehicles. The County is obligated under the agreement to repay the lease in installments consisting of principal repayments and interest payable annually for a 4 year term in certain amounts and on certain dates as specified in the agreement. The vehicles may be purchased at the end of the lease term for one dollar. The economic substance of the lease is that the County is financing the vehicles through the lease in the amount of $131,662 at an interest rate of 6.60%.

On January 21, 2008 the County entered into a capital lease agreement with Ford Motor Credit Company to purchase equipment. The County is obligated under the agreement to repay the lease in installments consisting of principal repayments and interest payable annually for a 3 year term in certain amounts and on certain dates as specified in the agreement. The equipment may be purchased at the end of the lease term for one dollar. The economic substance of the lease is that the County is financing the equipment through the lease in the amount of $65,141 at an interest rate of 5.25%.

On January 15, 2009 the County entered into a capital lease agreement with Graybar Financial Services to purchase a phone system. The County is obligated under the agreement to repay the lease in installments consisting of principal repayments and interest payable annually for a 3 year term in certain amounts and on certain dates as specified in the agreement. The equipment may be purchased at the end of the lease term for one dollar. The economic substance of the lease is that the County is financing the equipment through the lease in the amount of $82,372 at an interest rate of 3.82%.

On November 4, 2009 the County entered into a capital lease agreement with Baystone Financial Group to purchase equipment. The County is obligated under the agreement to repay the lease in installments consisting of principal repayments and interest payable annually for a 5 year term in certain amounts and on certain dates as specified in the agreement. The equipment may be purchased at the end of the lease term for one dollar. The economic substance of the lease is that the County is financing the equipment through the lease in the amount of $647,179 at an interest rate of 4.89%.

On December 18, 2009 the County entered into a capital lease agreement with Toshiba Financial Services to purchase equipment. The County is obligated under the agreement to repay the lease in installments consisting of principal repayments and interest payable annually for a 1 year term in certain amounts and on certain dates as specified in the agreement. The equipment may be purchased at the end of the lease term for one dollar. The economic substance of the lease is that the County is financing the equipment through the lease in the amount of $3,225 at an interest rate of 25.00%.

(Continued)

NOTE 5 – CAPITAL PROJECTS FUND LONG-TERM OBLIGATIONS (Continued)

Minimum future lease payments required to maturity for the capital lease payables of the County are as follows:

2010	$ 222,796
2011	155,620
2012	135,456
2010	142,080
	655,952
Less imputed interest	73,376
Present value of minimum future lease payments	$ 582,576

Changes in long-term liabilities. During the year ended December 31, 2009, the following changes occurred in long-term liabilities:

Primary government – government to activities

	Balance Jan 1	Additions	Reductions	Balance Dec. 31	Due Within One Year
General obligation bonds	$7,730,000	$ -	$1,230,000	$6,500,000	$1,005,000
Note payable	135,174	732,776	211,998	655,952	222,796
Compensated absences	196,999	-	69,325	127,674	-
	$8,062,173	$732,776	$1,511,323	$7,283,626	$1,227,796

Debt service requirements for general obligation bonds, notes payable and other debt are met by the General Fund and Capital Projects. Compensated absences are liquidated by the General Fund.

NOTE 6 – FUND EQUITY

Reservations of fund balance of governmental funds are created to either satisfy legal covenants that require that a portion of the fund balance be segregated or identify the portion of the fund balance that is not appropriated for future expenditures. Specific reservations of the fund balance accounts are summarized below.

Reserved for Jail Operations. This reserve was created for unexpended fines which are required to be used for jail staffing and operations.

Reserved for Drug Control. This reserve was established for funds to be used for drug enforcement activities.

Reserved for Drug Awareness. This reserve was established for portions of fines to be used for establishing a community program for counseling or education regarding drug and substance abuse.

Reserved for Juvenile Services. This reserve was established for funds to be used for providing various juvenile services in the Country.

NOTE 7 – CONTINGENT LIABILITIES

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

The County is presently involved in a number of matters involving pending litigation, overtly threatened litigation, claims or assessments. While the County intends to defend these actions, the ultimate outcome is uncertain at this time. The County's management and legal counsel is of the opinion that any unfavorable outcome would not materially affect the financial statements.

NOTE 8 – RISK MANAGEMENT

Dade County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by a public entity risk pool for all major programs. There have been no significant reductions in coverage. Settlement amounts have not exceeded coverage for the current year or the three prior years. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

The County contracts with the Association County Commissioners of Georgia-Interlocal Risk Management Agency (ACCG-IRMA) for combined automobile, crime, liability and property coverage. As a public entity risk pool, ACCG-IRMA is obligated to Dade County as well as approximately sixty other Georgia County members to cover casualty and property losses as follows:

- to establish and administer a risk management service;
- to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of county government; and
- to defend and protect, in accordance with this contract and related coverage descriptions, any Member of ACCG-IRMA against liability or losses stated in such documents. The activities of ACCG-IRMA shall not constitute conduct of an insurance business.

As a member of ACCG-IRMA, Dade County is obligated as follows:

(1) To participate at all times in at least one Fund which is established by the Board of Trustees of ACCG-IRMA.

(Continued)

NOTE 8 – RISK MANAGEMENT (Continued)

(2) To pay all contributions, assessments or other sums due to such times and in such amounts as shall be established by the Board.

(3) To select a person to serve as a Member representative.

(4) To allow the Board and its agents reasonable access to all facilities of the Member and all records, including but not limited to financial records, which related to the purposes of ACCG-IRMA.

(5) To allow attorneys appointed by ACCG-IRMA to represent the Member in investigation, settlement discussions and all levels of litigation arising out of any claim made against a Member within the scope of loss protection furnished by the Fund or Funds established by ACCG-IRMA.

(6) To assist and cooperate in the defense and settlement of claims against a Member.

(7) To furnish full cooperation to ACCG-IRMA's attorneys, claims adjusters, service companies and any agent, employee, officer or independent contractor of ACCG-IRMA relating to the purposes of ACCG-IRMA.

(8) To follow all loss reduction and prevention procedures established by ACCG-IRMA.

(9) To furnish ACCG-IRMA such budget, operating and underwriting information as may be requested by the Board.

(10) To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in ACCG-IRMA or any Fund established by ACCG-IRMA being required to pay a claim or claims for loss or injuries to county property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the Member participates.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the County became a member of the Association County Commissioners of Georgia-Group Self Insurance Workers' Compensation Fund. The liability of the Fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability. The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death with the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation, therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. 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.

(Continued)

NOTE 8 – RISK MANAGEMENT (Continued)

Dade County's responsibilities as a member of the ACCG-GSIWCF are as follows:

- To pay all contributions, assessments or other sums due to ACCG-GSIWCF at such times and in such amounts as shall be established by the ACCG-GSIWCF. To select a person to serve as a contact person and safety representative.

- To allow ACCG-GSIWCF and its agents reasonable access to all facilities of the County and all records, including, but not limited to financial records, which related to the purposes of ACCG-GSIWCF.

- To allow attorneys appointed by ACCG-GSIWCF 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 prevention furnished by ACCG-GSIWCF.

- To assist and cooperate in the defense and settlement of claims against the County.

- To furnish full cooperation to ACCG-GSIWCF attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of ACCG-GSIWCF relating to the purpose of ACCG-GSIWCF.

- To follow all loss reduction and prevention procedures established by ACCG-GSIWCF. To furnish to ACCG-GSIWCF such remuneration and underwriting information as may be requested.

- To report as promptly as possible, all incidents which could result in ACCG-GSIWCF being required to pay workers' compensation on behalf of the County.

NOTE 9 – IMPOSITION OF SPECIAL LOCAL OPTION SALES TAX

The County passed a new special one percent (1%) retail sales and use tax on June 17, 2003, to be collected within Dade County for the purpose of financing certain capital outlay projects. A maximum cost of $12,275,000 for the projects are as follows: County sewer projects - $1,000,000; City of Trenton - $2,000,000; fire equipment and hydrants - $875,000; Sheriff's department equipment - $360,000; Library - $540,000; Justice Building addition - $2,000,000; County Courthouse renovations - $250,000; Recreational projects - $1,100,000; County equipment purchases - $1,100,000; and County roads, streets and bridges - $3,050,000. The tax began July 1, 2004, and is to remain in effect for twenty (20) calendar quarters or until the $12,275,000 is exceeded, whichever occurs first. As of December 31, 2007, the Commission approved revised costs, with a maximum cost of $12,275,000, for the projects as follows: County sewer projects - $1,014,564; City of Trenton - $2,000,000; fire equipment and hydrants - $812,359; Sheriff's department equipment - $360,000; Library - $540,000; Justice Building addition - $2,117,694; County Courthouse renovations - $250,000; Recreational projects - $1,230,907; County equipment purchases - $990,311; and County roads, streets and bridges - $2,959,165.

(continued)

NOTE 9 – IMPOSITION OF SPECIAL LOCAL OPTION SALES TAX (continued)

The County passed a new special one percent (1%) retail sales and use tax on July 15, 2008, to be collected within Dade County for the purpose of financing certain capital outlay projects. A maximum cost of $18,000,000 for the projects are as follows: (i) Dade County road, street, and bridge purposes, which purposes may include sidewalks, bicycle paths and capital equipment; acquiring, constructing, and equipping a new court facility, including any necessary capital costs for the relocation of governmental offices or services; public safety facilities and equipment including fire department, mountain rescue, emergency 911, and other county emergency services; installation of new water lines and fire hydrants by the Dade County Water and Sewer Authority; vehicles and equipment for the road department, sheriff's department, recreation department, and the extension agency; adding to, remodeling and renovating county facilities and acquiring any property, both real and personal, and equipment necessary including the transfer station, county jail, recreation facilities, animal control, the old courthouse, a community building at Davis, a walking track at New Home; and, purchasing new books, computers and other technology for the Dade County Library, (ii) for the Dade County Industrial Development Authority, acquisition of land and construction of related infrastructure for future industrial development, and (iii) for the City of Trenton, public safety facilities, vehicles and equipment for police and fire departments; equipment and renovation of facilities for waste water treatment and utilities; road, street, and bridge purposes, which purposes may include sidewalks, bicycle paths and capital equipment; new construction, renovations and equipment for parks and recreation; city animal control facilities and renovations and equipment for city hall and city administration. The tax will begin July 1, 2009, and is to remain in effect for twenty-four (24) calendar quarters or until the $18,000,000 is exceeded, whichever occurs first.

NOTE 10 – JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the ten county northwest Georgia area, is a member of the Coosa Valley Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended December 31, 2009, the County paid $13,767 in such dues. Membership in a RDC is required by the Official Code of Georgia Annotated (O.C.G.A.) 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 in the area. O.C.G.A. 50-8-39.1 provides that member governments are liable for any debts or obligations of a RDC. Separate financial statements may be obtained from: Coosa Valley Regional Development Authority, P.O. Box 1793, Rome, GA 30162-1793.

NOTE 11 – OPERATING LEASE

The County leases a portion of its administration building to the State of Georgia's Department of Family and Children's Services under a cancelable operating lease that expires in 2016. In addition, a ratable portion of shared expenses, such as utilities, are billed to the State by the County and included in the amounts reported as rental income to the County.

Future minimum rental revenue anticipated under this operating lease for the periods after December 31, 2009, are as follows:

2010	$ 131,940
2011	131,940
2012	131,940
2013	131,940
Thereafter	395,820
Total	$ 923,580

Rental revenue received for the year ended December 31, 2009 was $136,915.

NOTE 12 – INTERFUND TRANSFERS

Transfers within the County are substantially for the purposes of subsidizing operating functions and funding capital projects and asset acquisition. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs. Interfund transfers are transactions between transferring funds out of one fund to support he operations of another fund.

Transfers in Primary Government	Transfers out Primary Government	Amount
Capital Projects	General Fund	$42,567

NOTE 13 – INTERFUND RECEIVABLES AND PAYABLES

During the course of normal operations, the County has numerous transactions between funds. Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, or other miscellaneous receivables/payables between funds. Interfund receivables/payables are transactions reimbursing a fund for expenditures made for the benefit of another fund. Such transactions are recorded as an interfund receivable in the disbursing fund. On the governmental funds balance sheet, receivables and payables resulting form short-term interfund loans are classified as "interfund loan receivables/payables." These amounts are eliminated on the statement of net assets.

Receivable Primary Government	Payable Primary Government	Amount
General	Special Revenue	$3,262,687

NOTE 14 – RECLASSIFICATION

Certain amounts in prior year financial statements have been reclassified for comparative purposes to conform to presentation in the current year financial statements. These reclassifications have no material impact on the financial statements.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the balance sheet date through the date of the auditor's report (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

DADE COUNTY, GEORGIA

SCHEDULE OF PROPERTY TAX RATES

EACH OF THE LAST FIVE YEARS (UNAUDITED)

FOR EACH OF THE FIVE YEARS ENDED DECEMBER 31, 2009

Tax Year	Tax Status	State of Georgia	Dade County	Dade County School Board	Total
2009	Unincorporated	$ .25	$ 6.43	$12.42	$19.10
	Incorporated	.25	8.19	12.42	20.86
2008	Unincorporated	.25	6.43	12.42	19.10
	Incorporated	.25	8.19	12.42	20.86
2007	Unincorporated	.25	6.48	12.50	19.23
	Incorporated	.25	8.28	12.50	21.03
2006	Unincorporated	.25	4.48	12.50	17.23
	Incorporated	.25	6.28	12.50	19.03
2005	Unincorporated	.25	5.54	13.00	18.79
	Incorporated	.25	7.91	13.00	21.16

DADE COUNTY, GEORGIA

SCHEDULE OF OUTSTANDING BONDS (UNAUDITED)

GENERAL LONG-TERM DEBT

DECEMBER 31, 2009

Bond: General Obligation Sales Tax Bonds, Series 2008

Bond Date: October 30, 2008

Total Issue: $6,500,000

Interest Rate: 4.00% - 5.00%

Year Ending December 31	Maturity Date	Note Principal	Interest Due May 1 and November 1	Total Annual Cost
2010	November 1, 2010	$1,005,000	$ 285,713	$1,290,713
2011	November 1, 2011	1,030,000	245,513	1,275,513
2012	November 1, 2012	1,060,000	204,312	1,264,312
2013	November 1, 2013	1,100,000	161,913	1,261,913
2014	November 1, 2014	1,135,000	112,412	1,247,412
2015	November 1, 2015	1,170,000	58,500	1,228,500
		$6,500,000	$1,068,363	$7,568,363

DADE COUNTY, GEORGIA

SCHEDULE OF CAPITAL PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX

YEAR ENDED DECEMBER 31, 2009

2003 REFERENDUM

Project	Original Estimated Costs	Revised Estimated Costs	Prior Year Expenditures	Current Year Expenditures	Total Expenditures	Completion Percentage
Sheriff – vehicles/ equipment	$ 360,000	$ 360,000	$ 360,000	$ -	$ 360,000	100%
E-911 – equipment	150,000	241,823	241,823	-	241,823	100
City of Trenton	2,000,000	1,970,895	1,587,638	383,257	1,970,895	100
Courthouse renovation	250,000	109,096	46,955	-	46,955	43
Justice building	2,000,000	2,000,000	438,261	646,067	1,084,328	54
Library – facility renovation	540,000	173,202	10,019	-	10,019	6
Recreation – facilities/ fields	1,100,000	1,230,908	1,230,908	-	1,230,908	100
Sanitation	150,000	145,459	145,459	-	145,459	100
Vehicle maintenance	300,000	101,614	101,614	-	101,614	100
County sewer	1,000,000	1,014,564	1,014,564	-	1,014,564	100
County roads, streets and bridges	3,050,000	2,795,122	2,781,373	13,749	2,795,122	100
Public works	500,000	501,414	501,414	-	501,414	100
Fire equipment	875,000	812,359	812,359	-	812,359	100
Total	$12,275,000	$11,456,456	$8,171,244	$1,043,073	$10,315,406	

DADE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED DECEMBER 31, 2009

GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	DISBURSEMENTS/ EXPENDITURES
FEDERAL ASSISTANCE			
U.S. Department of Transportation – Passed-through Georgia Department of Transportation Section 5311 Rural Public Transportation Program	20.509		$ 75,178
U.S. Department of Agriculture – Soil and Waste Conservation Grant	10.902		9,180
U.S. Department of Justice – Juvenile Accountability Incentive Block Grants	16.523	04B-ST-0001 05B-ST-0001	11,542
Total federal assistance			95,900
STATE ASSISTANCE			
Association County Commissioners of Georgia – Health Promotion & Wellness Incentive Grant			2,000
Georgia Emergency Management Agency – Emergency Management Performance Grant			5,000
Georgia Emergency Management Agency – Pre-Disaster Mitigation Grant Program			15,000
Lookout Mountain Community Services Board – Transportation Grant			19,193
Criminal Justice Coordination Council – Lookout Mountain Judicial Circuit Drug Task Force Grant			11,957
Total state assistance			53,150
Total federal and state assistance			$ 149,050

DADE COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

DECEMBER 31, 2009

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the County and is presented on the accrual basis of accounting utilizing the same accounting principles used in the preparation of the general-purpose financial statements.

HENDERSON HUTCHERSON & McCULLOUGH, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON STATE OF GEORGIA GRANT CERTIFICATION FORMS

To the Board of Commissioners
Dade County, Georgia
Trenton, Georgia

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Forms about Dade County, Georgia's compliance during the fiscal year ended December 31, 2009, with requirements to use grant proceeds solely for the purpose for which the grant was made for the following grant awards:

Association County Commissioners of Georgia – Health Promotion & Wellness Incentive Grant
Georgia Emergency Management Agency – Emergency Management Performance Grant
Georgia Emergency Management Agency – Pre-Disaster Mitigation Grant Program
Lookout Mountain Community Services Board – Transportation Grant
Criminal Justice Coordination Council – Lookout Mountain Judicial Circuit Drug Task Force Grant

Management is responsible for Dade County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Dade County, Georgia's compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Dade County, Georgia's compliance with this requirement and performing such other procedure as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Dade County, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that Dade County, Georgia complied with the aforementioned requirement for the fiscal year ended December 31, 2009, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Georgia Department of Audits and Accounts and the State grantor agency identified on the Grant Certification Form and is not intended to be and should not be used by anyone other than the specified parties.

Chattanooga, Tennessee
June 25, 2010

Henderson Hutcherson & McCullough, PLLC

1200 MARKET STREET · FREIGHT DEPOT, CHATTANOOGA, TENNESSEE 37402-2713
T 423.756.7771 · F 423.265.8125 · hhmcpas.com
AN INDEPENDENT MEMBER OF THE BDO SEIDMAN ALLIANCE

State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

A	Local Government	Dade County, Georgia
B	State Awarding Agency	Association County Commissioners of Georgia
C	Grant Identification Number	N/A
D	Grant Title	Health Promotion & Wellness Incentive Grant
E	Grant Award Date	April 15, 2009
F	Grant Amount	$2,000.00

		COLUMN 1 **Current Year Activity** For the Year Ended: December 31, 2009	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: December 31, 2009
G	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$1,000.00	
H	Grant Receipts or Revenue Recognized	$2,000.00	$3,000.00
I	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$3,000.00	$3,000.00
J	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$0.00	$0.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official Jul - Rumley Date 6-30-10

Signature of Chief Financial Officer Date 6/30/10

State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

A	Local Government	Dade County, Georgia
B	State Awarding Agency	Criminal Justice Coordination Council
C	Grant Identification Number	B09-8-015
D	Grant Title	Lookout Mountain Judicial Circuit Drug Task Force Grant
E	Grant Award Date	October 6, 2009
F	Grant Amount	$11,957.00

		COLUMN 1 **Current Year Activity** For the Year Ended: December 31, 2009	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: December 31, 2009
G	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$0.00	
H	Grant Receipts or Revenue Recognized	$11,957.00	$11,957.00
I	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$11,957.00	$11,957.00
J	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J = Line K]	$0.00	$0.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official Jack - Brumley Date 6-30-10

Signature of Chief Financial Officer [redacted] Date 6/30/10

State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

A	Local Government	Dade County, Georgia
B	State Awarding Agency	Georgia Department of Community Affairs
C	Grant Identification Number	08-C-L-124
D	Grant Title	Local Assistance Grant
E	Grant Award Date	November 5, 2007
F	Grant Amount	$10,000.00

		COLUMN 1 **Current Year Activity** For the Year Ended: December 31, 2009	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: December 31, 2009
G	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$7,500.00	
H	Grant Receipts or Revenue Recognized	$0.00	$7,500.00
I	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$0.00	$0.00
J	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J = Line K]	$7,500.00	$7,500.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date 6-30-10

Signature of Chief Financial Officer _____ Date 6/30/10

State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

A	Local Government	Dade County, Georgia
B	State Awarding Agency	Georgia Emergency Management Agency
C	Grant Identification Number	P08-9-143
D	Grant Title	Emergency Management Performance Grant
E	Grant Award Date	October 6, 2009
F	Grant Amount	$5,000.00

		COLUMN 1 **Current Year Activity** For the Year Ended: December 31, 2009	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: December 31, 2009
G	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$0.00	
H	Grant Receipts or Revenue Recognized	$5,000.00	$5,000.00
I	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$5,000.00	$5,000.00
J	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$0.00	$0.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date 6-30-10

Signature of Chief Financial Officer _____ Date 6/30/10

State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

A	Local Government	Dade County, Georgia
B	State Awarding Agency	Georgia Emergency Management Agency
C	Grant Identification Number	PDMC-PL-04-GA-2005-011
D	Grant Title	Pre-Disaster Mitigation Grant Program
E	Grant Award Date	July 17, 2009
F	Grant Amount	$15,000.00

		COLUMN 1 **Current Year Activity** For the Year Ended: December 31, 2009	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: December 31, 2009
G	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$0.00	
H	Grant Receipts or Revenue Recognized	$15,000.00	$15,000.00
I	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$15,000.00	$15,000.00
J	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$0.00	$0.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date 6-30-10

Signature of Chief Financial Officer _____ Date 6/30/10

State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

A	Local Government	Dade County, Georgia
B	State Awarding Agency	Lookout Mountain Community Services Board
C	Grant Identification Number	IU79SM058490
D	Grant Title	Transportation Grant
E	Grant Award Date	July 1, 2009
F	Grant Amount	$19,193.00

		COLUMN 1 **Current Year Activity** For the Year Ended: December 31, 2009	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: December 31, 2009
G	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$0.00	
H	Grant Receipts or Revenue Recognized	$19,193.00	$19,193.00
I	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$19,193.00	$19,193.00
J	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$0.00	$0.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date 6-30-10

Signature of Chief Financial Officer _____ Date 6/30/10

HENDERSON HUTCHERSON & McCULLOUGH, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners
Dade County, Georgia
Trenton, Georgia

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Dade County, Georgia, as of and for the year ended December 31, 2009, which collectively comprise Dade County, Georgia's basic financial statements, and have issued our report thereon dated June 25, 2010. We did not audit the financial statements of the Dade County Health Department (a component unit) whose statements reflect total assets of $328,620 and total net assets of $307,657 as of June 30, 2009, and total revenues of $445,171 for the year then ended. 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 in Dade County Health Department, is based on the report of 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.

PRIMARY GOVERNMENT – DADE COUNTY, GEORGIA

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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AN INDEPENDENT MEMBER OF THE BDO SEIDMAN ALLIANCE

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the Dade County, Georgia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Dade County, Georgia's financial statements that is more than inconsequential will not be prevented or detected by the Dade County, Georgia's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting, as described in item 08.1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Dade County, Georgia's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider item 08.1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dade County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 08.1.

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

COMPONENT UNIT – THE DADE COUNTY HEALTH DEPARTMENT

Internal Control Over Financial Reporting

The report issued by other auditors did not disclose any matters involving the internal control over financial reporting and its operations that were considered to be material weaknesses.

Compliance and Other Matters

The report issued by other auditors disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners and management, federal awarding agencies, the State of Georgia and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Chattanooga, Tennessee
June 25, 2010

Henderson Hutcherson & McCullough, PLLC

DADE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS

09.1 Condition: Schedules of cash, accounts receivable, and accounts payable did not agree to the general ledger.

Criteria: The County is required to maintain an adequate set of financial records. This includes providing for a system of internal controls to identify likely material adjustments and corrections of recorded amounts and providing for effective oversight of financial reporting and internal controls.

Cause: Those personnel performing accounting duties have not had sufficient training in basic bookkeeping and accounting.

Effect: Although many journal entries were made throughout the year, it was necessary to propose a number of journal entries to correct account coding and properly reflect County transactions. As a result, monthly reports may have been incomplete or inaccurate. Budgeting and forecasts based on this data may have been incomplete or inaccurate.

Recommendation: We recommend that the personnel in the main office continue their training in basic bookkeeping and accounting courses. In order to make the financial statements as meaningful as possible, the County should reconcile the general ledger accounts for cash, accounts receivable, and accounts payable.

Management Response: We are continuing the accounting education for the staff. Beginning in 2010, the accounting software was upgraded to a newer version, which allows for greater ease in posting of accounting entries and reconciliations.

DADE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED DECEMBER 31, 2009

FINDINGS FROM DECEMBER 31 2008

08.1 Condition: Schedules of cash, accounts receivable, and accounts payable did not agree to the general ledger.

Current Status: Improvement has been noted in this area in that the general ledger was in balance and prior year journal entries had been posted. However, schedules and reconciliations still did not agree to the general ledger.