MARION COUNTY

GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

AND

INDEPENDENT AUDITOR'S REPORT

HERBERT E. ALLEN
CERTIFIED PUBLIC ACCOUNTANT
AMERICUS, GEORGIA

MARION COUNTY

GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

AND

INDEPENDENT AUDITOR'S REPORT

MARION COUNTY OFFICIALS

GEORGE NEAL JR.
CHAIRMAN

LARRY OGAN
VICE-CHAIRMAN

KEVIN BROWN
COMMISSIONER

MARY JO PAGE
COMMISSIONER

DENNIS THOMPSON
COMMISSIONER

JUDY SUMMERS
CLERK OF COUNTY COMMISSIONERS

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HERBERT E. ALLEN

CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 6936

131 THOMAS DRIVE

AMERICUS, GEORGIA 31709

OFFICE: 229-928-4008

FAX: 229-924-1532

heallencpa@bellsouth.net

Member of the American Institute of Certified Public Accountants

Member of the Georgia Society of Certified Public Accountants

June 17, 2010

INDEPENDENT AUDITOR'S REPORT

Marion County Board of Commissioners
Marion County, Georgia
Buena Vista, Georgia

We have audited the governmental-type activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marion 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 table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on the financial statements based on our audit. We did not audit the financial statements of the Marion County Department of Public Health which statements reflect total assets of $46,416, as of June 30, 2009, and total revenues of $212,376. These funds were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it related to the amount included for the Marion County Department of Health is based solely on the reports 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 general purpose financial statements are free of material misstatement. The financial statements of Marion County Hospital Authority were not audited in accordance with *Government Auditing Standards.* An audit includes examining on test basis evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis to our opinions.

In our opinions, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marion County, Georgia, as of December 31, 2009, and the respective changes in financial position, and where applicable, cash flows, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The County of Marion has not presented the management's discussion and analysis which is not a required part of the basic financial statements, but is supplementary information required by the Government Accounting Standards Board.

Our audit was made for the purpose of forming an opinion on the financial statement taken as a whole. The combining nonmajor fund financial statements and individual fund schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements of Marion County, Georgia. Such information has been subjected to the auditing procedures applied in the audit of the financial statements for the year ended December 31, 2009 and, in our opinion, is fairly stated in all material respects in relation to the respective financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have issued a report dated June 17, 2010 on our consideration of the County's internal control over financial reporting and on testing its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of this report is to describe the scope of testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on the internal control or on compliance. The report on compliance with laws and regulations and internal control over financial reporting is an integral part of an audit performed in accordance with *Government Auditing Standards*, and in considering the results of the audit, the report(s) should be read in conjunction with the auditor's report on the financial statements.

HERBERT E ALLEN, CPA

HERBERT E. ALLEN, CPA

MARION COUNTY, GEORGIA
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
December 31, 2009

	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash	$ 1,547,544	$ 19,922	$ 1,567,466	$828,215
Restricted Cash	464,057	155,343	619,400	5,025
Receivable (Net Where Applicable of Allowance for Uncollectibles):	48,201	40,132	88,333	165,278
Taxes, Interest and Penalties	357,738	0	357,738	0
Capital Assets:				
Land	126,006	12,264	138,270	7,655
Infrastructure	253,282	0	253,282	0
Buildings	1,035,585	0	1,035,585	1,329,121
Vehicles	321,744	80,915	402,659	0
Heavy Equipment	218,277	0	218,277	360,723
Plant	0	12,781,351	12,781,351	0
Accumulated Depreciation	(642,117)	(2,560,618)	(3,202,735)	(1,349,396)
TOTAL ASSETS	$ 3,730,317	$ 10,529,309	$14,259,626	$1,346,621
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	$ 154,327	$ 9,571	$ 163,898	$ 7,317
Customer Deposits	0	2,659	2,659	0
Revenue Bond Payable	0	55,515	55,515	0
Note Payable	0	39,212	39,212	0
Total Current Liabilities	$ 154,327	$ 106,957	$ 261,284	$ 7,317
Long Term Liabilities				
Revenue Bond Payable	$ 0	$ 3,668,475	$ 3,668,475	$ 0
Note Payable	0	288,577	288,577	0
Total Long Term Liabilities	$ 0	$ 3,957,052	$ 3,957,052	$ 0
TOTAL LIABILITIES	$ 154,327	$ 4,064,009	$ 4,218,336	$ 7,317
NET ASSETS				
Invested in Capital assets Net of Related Debt	$ 1,312,777	$ 6,262,133	$ 7,574,910	$ 348,103
Restricted for Bond Debt Ser.	0	155,343	155,343	0
Restricted - SPLOST 2004	281,920	0	281,920	5,025
Restricted - SPLOST 2009	161,750	0	161,750	0
Restricted - Other Governmental Funds	20,387	0	20,387	0
Unrestricted	1,799,156	47,824	1,846,980	986,176
TOTAL NET ASSETS	$ 3,575,990	$ 6,465,300	$10,041,290	$1,339,304

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

MARION COUNTY, GEORGIA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009

	Expenses	Program Revenues Charges for Services	Governmental Activities	Business-Type Activities	Total	Component Units
General Government	$ 744,202	$ 34,078	$ (710,124)	$ 0	$ (710,124)	$ 0
Judicial	274,378	0	(274,378)	0	(274,378)	0
Public Safety	1,197,006	529,273	(667,733)	0	(667,733)	0
Health and Welfare	622,370	355,725	(266,645)	0	(266,645)	0
Public Works	442,450	0	(442,450)	0	(442,450)	0
Cultural and Recreation	54,494	0	(54,494)	0	(54,494)	0
Total Government Activities	$ 3,334,900	$ 919,076	$ (2,415,824)	$ 0	$ (2,415,824)	$ 0
Business-type Activities						
Water	$ 861,409	$ 769,664	$ 0	$ (91,745)	($91,745)	$ 0
Total Government	$ 4,196,309	$ 1,688,740	$ (2,415,824)	$ (91,745)	$ (2,507,569)	$ 0
Component Units	$ 489,339	$ 498,113				$ 8,774
General Revenues:						
Taxes:						
Property Tax			$ 1,815,300	$ 0	$ 1,815,300	
Splost Taxes			477,034	0	477,034	
Local Option Taxes			310,193	0	310,193	
Alcohol Beverage Taxes			41,603	0	41,603	
Insurance Premium Taxes			268,571	0	268,571	
Interest Earned			9,042	0	9,042	
Miscellaneous & Other			75,313	0	75,313	
Total General Revenues			$ 2,997,056	$0	$ 2,997,056	
Transfers			(52,510)	52,510	0	
Change in Net Assets			$ 528,722	$ (39,235)	$ 489,487	$ 8,774
Net Assets at Beginning of Year as Adjusted			3,061,553	6,498,592	9,560,145	1,330,530
Prior Period Adjustment			(14,285)	0	(14,285)	
Net Assets at End of Year			$ 3,575,990	$ 6,459,357	$ 10,035,347	$ 1,339,304

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

MARION COUNTY, GEORGIA
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2009

	General Fund	Special 1% Sales Tax For Roads & Bridges 4/21/2004	Special 1% Sales Tax For Road, Water & Emergency Medical 4/1/2009	Other Governmental Funds	Total Government Funds
ASSETS AND OTHER DEBIT ASSETS					
Cash	$1,547,544	$ -	$ -	$ -	$1,547,544
Restricted Cash	-	281,920	161,750	20,387	464,057
Receivable (Net Where Applicable of Allowance for Uncollectibles):	48,201	-	-	-	48,201
Taxes, including Interest & Penalties	357,738	-	-	-	357,738
TOTAL ASSETS	$1,953,483	$ 281,920	$ 161,750	$ 20,387	$2,417,540
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable & Accrued Expenses	$ 154,327	$ -	$ -	$ -	$ 154,327
Payable-Splost	-	-	-	-	-
Deferred Revenue	251,150	-	-	-	251,150
TOTAL LIABILITIES	$ 405,477	$ -	$ -	$ -	$ 405,477
FUND BALANCE					
- Reserved-Road & Bridge Maintenance	$ -	$ 281,920	$ 161,750	$ -	$ 443,670
- Unreserved	1,548,006	-	-	-	1,548,006
- Reserved-Drug Education		-	-	20,387	20,387
- Reserved-County Jail Construction		-	-	-	-
TOTAL FUND BALANCE	$1,548,006	$ 281,920	$ 161,750	$ 20,387	$2,012,063
TOTAL LIABILITIES AND FUND BALANCE	$1,953,483	$ 281,920	$ 161,750	$ 20,387	$2,417,540

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

MARION COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENT FUNDS BALANCE SHEET TO THE GOVERNMENT
WIDE STATEMENT OF NET ASSETS
For Fiscal Year Ended December 31, 2009

Total fund balances – total governmental funds	$ 2,012,063
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current in the Governmental Funds Balance Sheet	1,312,777
Deferred revenues for Garbage Fees	251,150
Net assets of governmental activities	$3,575,990

The accompanying notes to financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	General Fund	Special 1% Sales Tax For Water & Sewer 5th Year 4/1/2004	Special 1% Sales Tax For Road, Water & Emergency Medical 4/1/2009	Other Governmental Funds	Total Government Funds
REVENUES					
Taxes & Special Assessments	$ 2,253,318	$ 189,181	$ 287,853	$ 0	$ 2,730,352
License and Permits	34,078	0	0	0	34,078
Intergovernmental	36,850	48,666	0	14,363	99,879
Charges for Service	643,863	0	0	0	643,863
Fines and Forfeitures	226,833	0	0	0	226,833
Interest Earned	7,298	1,668	0	76	9,042
Miscellaneous and Other	75,312	0	0	0	75,312
TOTAL REVENUES	$ 3,277,552	$ 239,515	$ 287,853	$ 14,439	$ 3,819,359
EXPENDITURES					
Current:					
General Government	$ 740,513	$ 0	$ 0	$ 0	$ 740,513
Judicial	269,784	0	0	4,594	274,378
Public Safety	1,181,950	0	0	0	1,181,950
Health and Welfare	591,734	0	0	0	591,734
Public Works	304,542	121,666	0	0	426,208
Cultural and Recreation	53,451	0	0	0	53,451
To City of Buena Vista	0	28,274	126,103	0	154,377
Capital Outlay:					
Capital Outlay	17,364	18,307	0	21,567	57,238
TOTAL EXPENDITURES	$ 3,159,338	$168,247	$126,103	$26,161	$ 3,479,849
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 118,215	$ 71,268	$ 161,750	$ (11,722)	$ 339,510
OTHER FINANCING SOURCES					
Transfers	0	(52,510)	0	0	(52,510)
EXCESS OF EXPENDITURES OVER REVENUES AND OTHER SOURCES	118,215	18,758	161,750	(11,722)	287,000
FUND BALANCE AT JANUARY 1	1,429,792	263,162	0	32,109	1,725,063
FUND BALANCE AT DECEMBER 31	$ 1,548,007	$ 281,920	$ 161,750	$ 20,387	$ 2,012,063

The accompanying notes to financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
Reconciliation of the Government Funds
Statement of Revenues, Expenditures and Changes in Fund
Balances to the Government-Wide Statement of Activities and
Changes in Net Assets
For Fiscal Year Ended December 31, 2009

Net change in fund balances – total government funds	$287,000
Amounts reported for governmental activities in the Statement of Activities are different because:	251,150
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	57,238
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense on capital is not reported as expenditures in Government Funds.	(66,666)
Changes in net assets of governmental activities	$528,722

The accompanying notes to financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
GENERAL FUND TYPE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET			Variance Favorable
	Original	Final	Actual	Unfavorable
REVENUES				
Taxes	$2,149,000	$2,149,000	$2,253,318	$ 104,318
License and Permits	47,650	47,650	34,078	(13,572)
Intergovernmental	18,000	18,000	36,850	18,850
Charges for Service	455,000	455,000	341,423	(113,577)
Fines and Forfeitures	197,650	197,650	226,833	29,183
Public Safety	312,000	312,000	302,440	(9,560)
Interest Earned	27,000	27,000	7,298	(19,702)
Miscellaneous and Other	47,105	47,105	75,312	28,207
TOTAL REVENUES	$3,253,405	$3,253,405	$3,277,552	$ 24,147
EXPENDITURES				
General Government	$ 778,149	$ 778,149	$ 740,513	$ 37,636
Judicial	295,913	295,913	269,784	26,129
Public Safety	1,108,252	1,108,252	1,181,950	(73,698)
Health & Welfare	617,368	617,368	591,734	25,634
Public Works	390,967	390,967	304,542	86,425
Cultural and Recreation	62,756	62,756	53,451	9,305
Capital Outlay	0	0	17,364	(17,364)
TOTAL EXPENDITURES	$3,253,405	$3,253,405	$3,159,338	$ 94,067
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		$0	$ 118,214	$ 118,214
OTHER FINANCING SOURCES (USES)		0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES		$0	$ 118,214	$ 118,214
FUND BALANCE BEGINNING			$1,429,792	
FUND BALANCE ENDING			$1,548,006	

The accompanying notes to financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2009

ASSETS	
Cash	$ 149,163
Total Assets	$ 149,163
LIABILITIES	
Accounts Payable	$ 149,163
Total Liabilities and Fund Equity	$ 149,163

The accompanying notes to financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2009

	Water Fund
ASSETS	
Current Assets:	
Cash on Hand & In Banks	$ 19,922
Restricted Cash	155,343
Accounts Receivable (Net of Allowances)	40,132
Total Current Assets	$ 215,397
Noncurrent Assets:	
Capital Assets:	
Fixed Assets (Net of Accumulated Depreciation where Applicable)	$ 10,313,912
Total Noncurrent Assets	$ 10,313,912
TOTAL ASSETS	$ 10,529,309
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 9,571
Customer Deposits	2,659
Revenue Bonds Payable - Current	55,515
Note Payable - Jones Contracting, Inc.	39,212
Total Current Liabilities	$ 106,957
Noncurrent Liabilities:	
Revenue Bonds Payable	$ 3,668,475
Note Payable - Jones Contracting, Inc.	288,577
Total Noncurrent Liabilities	$ 3,957,052
TOTAL LIABILITIES	$ 4,064,009
Net Assets	
Invested in capital assets net of related debt	$ 6,262,133
Restricted for Bond Debt Service	155,343
Unrestricted	47,824
Total Net Assets	$ 6,465,300

The accompanying notes to financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Water Revenue Fund
OPERATING REVENUE	
Sales and Charges	$ 616,116
TOTAL OPERATING REVENUE	$ 616,116
OPERATING EXPENSES	
Salaries and Benefits	$ 168,776
Supplies	29,394
Repairs and Maintenance	22,379
Depreciation	295,375
Office Administrative	25,877
Utilities & Telephone	93,042
Insurance	40,023
Vehicle Expense	9,999
TOTAL OPERATING EXPENSES	$ 684,865
OPERATING INCOME (LOSS)	$ (68,749)
NON-OPERATING REVENUE (EXPENSES)	
Interest Income	$ 1,798
Interest Expenditures	(176,544)
Grant-CDBG	151,750
Grant- Emergency	-
Special Options Sales Tax	0
TOTAL NON-OPERATING REVENUE (EXPENSE)	$ (22,996)
NET INCOME (LOSS) BEFORE TRANSFERS	(91,745)
TRANSFERS (NET)	52,510
CHANGE IN NET ASSETS	$ (39,235)
NET ASSETS AT BEGINNING OF YEAR	$ 6,498,592
PRIOR PERIOD ADJUSTMENT	$ 5,943
NET ASSETS AT END OF YEAR	$ 6,465,300

The accompanying notes to financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Water Fund
Cash Flow From Operating Activity	
Cash Received from Customers	$ 612,761
Cash Payment to Suppliers for Materials & Supplies	(29,394)
Cash Payments to Employees for Services	(168,776)
Maintenance, Operating & Contract Services	(200,903)
Net Cash Provided (Used) by Operating Activities	$ 213,688
Cash Flows from Non-Capital Financing Activities	
Operating Grants Received (CDBG)	$ 0
Special Option Sales Tax	52,510
Net Cash Provided by Non-Capital	$ 52,510
Cash Flows From Capital & Related Financing Activities	
Additions to Plant	$ (344,471)
Principal Paid on Bonds, Notes	(132,574)
Interest Paid on Bonds, Notes	(176,544)
Proceeds from Sale of Equipment	0
Proceeds- Notes	149,482
Construction Grant-CDBG	151,750
Net Cash Provided (Used) by Capital & Related Financing Activities	$ (352,357)
Cash Flows from Investing Activities:	
Investment Income	$ 1,798
Net Cash Provided (Used) by Investing Activities	$ 1,798
	$ (84,361)
Net Increase (Decrease in Cash & Cash Equivalents)	
Cash & Cash Equivalents at December 31, 2008	$ 259,626
Cash & Cash Equivalents at December 31, 2009	$ 175,265

For purposes of the statement of cash flows, cash and cash investments with an original maturity of three months or less.

The accompanying notes to financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
December 31, 2009

	Water Fund
Reconciliation of Operating Income to Net Cash Provided (Used) for operating Activities:	$ (68,749)
Operating Income (Loss)	
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:	
Depreciation	$ 295,375
Changes in Assets and Liabilities	
Decrease in Accounts Receivable	(3,355)
(Increase) Decrease in other Assets	0
Increase (Decrease) in Accounts Payable & Accrued Expenses	(9,583)
Increase in Liabilities Payable from Restricted Assets	
Total Adjustments	$ 282,437
Net Cash Provided (Used) by Operating Activities	$ 213,688

For purposes of the statement of cash flows, cash and cash investments with an original maturity of three months or less.

The accompanying notes to financial statements are an integral part of this statement.

Summary of Significant Accounting Policies

A. Reporting Entity

Marion County, Georgia (hereinafter the County) a political subdivision of the state of Georgia, is governed by a five-member elected board of commissioners.

The accompanying financial statements report on the financial activity for Marion County, Georgia for the year ended December 31, 2009. The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units.

The reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting of Marion County's financial statements to be misleading and incomplete.

For financial reporting purposes, in accordance with the criteria set forth in GASB 14, the County includes all funds over which the County exercises financial accountability. The Criteria used to determine financial accountability is evidenced by the following:

1. Ability to impose will on an organization by being able to significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization.

2. Financial benefit to or burden on primary government including responsibility for financing debts, entitlements to surpluses and guarantees or moral responsibility for debt.

3. Fiscal dependency for matters including authority over funds and budgetary appropriations.

4. Ability of primary government to appoint a voting majority of an organization's governing body.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34. This Statement establishes new financial reporting requirements for state and local governments throughout the United States. Its implementation creates new information and restructures much of the information that governments have presented in the past.

The GASB's intent is to make annual reports more comprehensive and easier to understand.

GASB 34 takes effect for entities the size of Marion County, Georgia during the fiscal year ending December 31, 2004. Some of the more significant changes in GASB Statement 34 incurred:

Summary of Significant Accounting Policies

A. Reporting Entity (Continued)

1. The presentation of a government-wide statement of net assets that includes infrastructure (roads, bridges, etc.) and all debt.

2. The presentation of current and accumulated depreciation by activity.

3. The presentation of a government-wide statement of activities using full accrual accounting.

4. The presentation of the original adopted budget as well as the final amended budget in the budgetary comparison statements.

Legally separate entities, over which the County exercises financial accountability, whose operations are, in substance, part of the County's operations are blended or combined with data from the County.

Entities, over which the County exercises financial accountability, whose operations are distinct from those of the County are discretely presented in a separate column in the government-wide financial statements.

Included for financial reporting purposes using these criteria are:

COMPONENT UNITS
In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The criteria set forth in GAAP and GASB number 14 are used to determine any potential component units. The basic, but not the only, criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise financial accountability is the appointment of a voting majority of the component unit's board (simple accountability). Other criteria used to evaluate potential component units for including or exclusion from the reporting entity is ability to impose its will, the existence of financial benefit or burden, the fiscal dependency and designation of management.

In accordance with the above criteria the County has determined that the Marion County Board of Health and the Marion County Hospital Authority should be included as a discretely presented component unit. It is presented in a separate column to emphasize that it is legally separate from the County and has a fiscal year end of June 30, 2009. Separately audited general purpose financial statements may be obtained from the County Commissioners office or the Health Department and the Marion County Hospital Authority.

Excluded from financial reporting using this criteria are:

1. River Valley Regional Commission

2. There are various other related organizations for which the County appoints board members but has no further accountability.

Summary of Significant Accounting Policies

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

On the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus. However, in the fund financial statements, the measurement focus differs by fund types as follows:

> All governmental funds are accounted for using a current financial resource measurement focus. Within this measurement focus, only current assets and liabilities generally are included on the balance sheet. Operating statements of these funds present sources/increases (i.e., revenues and other financing sources) and uses/decreases (i.e., expenditures and other financing uses) of available spendable financial resources during a given period. These funds used fund balances as their measurement of available spendable financial resources at the end of the period.
>
> Agency funds are not involved in the measurement of results of operations; therefore no measurement focus is applied to agency funds.

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized as soon as they are earned, and expenses are recognized when the liability is incurred or the economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange occurs.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they become "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end and available to pay obligations of the current period. Expenditures, including capital outlay, are recognized in the accounting period in which the related fund liability is incurred.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

All proprietary and fiduciary funds are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Summary of Significant Accounting Policies

B. Measurement Focus and Basis of Accounting (Continued)

Differences exist between the governmental activities columns reported in the government-wide statements and the corresponding total columns reported in the fund financial statement. The differences are the result of the use of the two different measurement focuses between these statements. As stated above, the government-wide statements present governmental activities on the economic resources measurement focus while the fund financial statements present governmental funds on the current financial resources measurement focus. Additional detailed information about the reconciling items can be found on pages 6 and 8.

C. Basis of Presentation

The government-wide financial statements (i.e., the statement of net assets and statement of activities) display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The fund financial statements reflect the activities of the County's individual funds. Funds are organized into three categories: governmental, special revenue and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County (i.e., the general fund) or meets the following criteria:

a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has elected to apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 in the government-wide financial statements unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

As a general rule, the effects of internal activity have been eliminated from the government-wide statements. Exceptions to this general rule are administrative charges between the County's general fund and special revenue funds. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Summary of Significant Accounting Policies

C. Basis of Presentation (Continued)

Program revenues are derived directly from a particular program or from parties outside the County's taxpayers or citizenry. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. All taxes are included in general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses include costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses and typically include interest revenue and expense.

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

Columnar Headings and Description of Funds

The County uses funds to report financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The County reports the following major governmental funds:

General Fund- The general fund is the County's primary operating fund and is always classified as a major fund. It accounts for all financial resources of the general governmental, except those required to be accounted for in another fund.

Special Sales Tax 2004- In 2003 voters in Marion County approved an additional special 1% sales tax provision for a special sales tax to be imposed for the purpose of being used for roads, streets and bridges. It is to be imposed for four years and a fifth year for the purpose of water and sewer projects. The total is not to exceed $4,000,000. The tax was imposed in April 2004. During 2009, $189,181 was collected; $28,274 was transferred to the city of Buena Vista.

Special Sales Tax 2009- On November 4, 2008 voters in Marion County approved an additional special 1% sales tax provision for a special sales tax to be imposed for the purpose of being used for roads, streets and bridges, water and sewer projects and emergency medical services. It is to be imposed for six years. The total is not to exceed $8,000,000. The tax was imposed in April 2009. During 2009, $287,853 was collected; $126,103 was transferred to the city of Buena Vista.

Summary of Significant Accounting Policies

C. Basis of Presentation (Continued)

The County reports non-major governmental funds:

Other Governmental Funds- Proceeds received from additional fines for certain activities regarding marijuana, controlled substances, and non-controlled substances are restricted for expenditures for drug treatment and education. During 2009, $3,011 was collected and deposited in an interest-bearing account from such fines. These funds are being expended as required by law.

The County reports the following major proprietary fund:

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

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

The proprietary fund distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for the enterprises fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are report as non-operating revenues and expenses.

Additional funds were received from a 10% penalty imposed under the Jail Construction and Staffing Act which authorizes counties to impose a penalty for all fines and forfeited bail or bond for any offense against a state criminal or traffic law. These funds are required to be placed in a jail fund for use in staffing and jail repair as required. During 2009, $11,428 was collected from these funds and placed in an interest bearing account. These funds could be accounted for in the general fund, but the County has elected to account for these funds separately to assure that they are properly expended.

Summary of Significant Accounting Policies

C. Basis of Presentation (Continued)

Proprietary Fund Type- Proprietary funds are accounted for using the economic resources measurement focus; the accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheets. Proprietary fund equity is segregated into contributed capital and retained earnings.

Additionally, the County reports the following fund types:

Fiduciary Funds – Account for assets held, as an agent, for individuals, private organizations, other governments and other funds.

D. Budget and Law Practice

The County Clerk submits an annual budget to the Commissioners prior to the beginning of each fiscal year. The Commissioners adopt annual fiscal year appropriated budgets for County operating funds. These include the General and Special Revenue Funds. Once approved, the Commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

The level of budgetary control is the department level.

The budgets for the operating funds are prepared on the modified accrual basis.

Revenues are budgeted in the year receipt is expected; and expenditures, which include accounts payable are budgeted in the year that the applicable purchase orders are expected to be issued. The budget and actual financial statements are reported on this basis.

Budgetary Control

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues and expenditures are budgeted by source. All budget revisions are subject to final review by the Commissioners.

The budget is not incorporated into the accounting system; however, it is used and compared to actual receipts and disbursements to insure fiscal responsibility.

There were several areas where expenditures were in excess of appropriated budgeted amounts. There are various reasons for this, all of which the County is aware of. The general fund expenditures exceeded budgeted amounts by $91,062. See Financial Statements (page 9).

Public Safety	(73,698)
Capital Outlay	(17,364)

Summary of Significant Accounting Policies

C. Basis of Presentation (Continued)

The nature of these funds lends itself to budget variances. The excess expenditures were funded with prior year's cash.

County Commissioners are aware and have approved the variances; however, the budget was not formally amended.

E. Encumbrances

Encumbrance accounting is not used by Marion County. As December 31, 2009 there were no material encumbrance type items outstanding.

F. Inventory

Expendable supplies are recorded as expenditures at the time items are purchased. The County does not record inventories of supplies on the books due to immateriality.

G. Accounts Receivable

These are amounts paid by Marion County which are to be reimbursed during the next fiscal year. The amount is considered fully collectible.

H. Property Taxes Receivable and Property Tax Calendar

Property taxes receivable are uncollected property taxes as of December 31, 2009, but were collected by February 28, 2010. Total amount collected from January 1, 2010 to February 28, 2010 is $357,738.

Property taxes attach as an enforceable lien on property. The tax lien date is January 1, taxes are levied on October 1, and payable on December 20. The County bills and collects its own property taxes as well as taxes for the State and County School District. Collections of the county taxes and remittance of them to the County are accounted for in the Tax Commissioners Agency Fund.

I. Accumulated Unpaid Vacation, Sick Pay, and other Employee Benefit Amounts

Accumulated unpaid sick pay and other employee benefit amounts are not accrued in governmental funds (using the modified accrual basis for accounting.) At December 31, 2009 unrecorded liabilities included approximately $0 in vacation pay.

J. Accounts Payable and Accrued Expense

These are amounts due or accrued as of December 31, 2009

Summary of Significant Accounting Policies

K. Cash and Investments

At December 31, 2009, the bank account balances totaled $1,152,459. Cash and time deposits include amounts in demand deposits, passbook savings as well as certificates of deposits. All cash is separately held and reflected in its respective fund. Cash equivalents are short term, highly liquid investments with a maturity date of three months or less that can be converted to known amounts of cash.

County's deposits policy limits deposit choices to checking accounts, money market accounts and certificates of deposits with local banks. All deposits are to be secured as required by state statutes. The state statutes requires the deposits to be secured at an amount equal to the total deposits less FDIC insurance, and then multiplied by 110 percent.

The County's investment policy limits investment choices to investments complying with state statutes. These investments are limited to obligations of states, obligations issued by the U.S. government, obligations fully insured or guaranteed by the U.S. government, or by a government, the local government investment pool established by state law and obligations of other political subdivisions of the State of Georgia.

The Georgia Fund one state investment pool is managed under the policies included in Georgia Law (O.C.G.A 36-83-4). The entire portfolio, including the Government's pro-rata portion, consists of collateralized certificates of deposit and government or governmental agency securities owned outright and under agreement to resell. The title to all investments, including collateral pledged to secure certificates of deposit, is held in the custody of the Directors Fiscal Division, Office of Treasury and Financial Services, State of Georgia in accordance with Georgia law. This is not a SEC-registered investment pool; the fair value, 28 day weighted average method, of the position in the pool is the same as the value of pool shares. Since these investments are not evidenced by securities that exist in physical or book entry form, they are not classified by category or credit risk. At December 31, 2009, the County had $1,037,407 invested in Georgia Fund One.

Deposits: Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County has a deposit policy for custodial risk.

L. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (i.e., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business type activities column in government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of $5,000 or more and an estimated life of more than one year. All capital assets (governmental and proprietary) are valued at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are valued at their fair market value when donated. Interest costs on debt incurred for the construction of capital assets are capitalized net of interest earned on the invested proceeds of construction debt over the same period. Major improvements that extend the life of an asset are capitalized.

L. CAPITAL ASSETS

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

	Balance Jan. 1	Additions Completions	Retirements Adjustments	Balance December
Governmental Activities;				
Capital assets not being deprec.				
Land	$ 126,006	$ 0	$ 0	$ 126,006
Total Capital assets not being Depreciated	$ 126,006	$ 0	$ 0	$ 126,006
Capital assets being depreciated				
Infrastructure	$ 253,282	$ 0	$ 0	$ 253,282
Building	1,035,585	0	0	1,035,585
Vehicles	281,870	39,874	0	321,744
Equipment	200,913	17,364	0	218,277
Total Capital Assets being Depreciated	$ 1,771,650	$ 57,238	$ 0	$ 1,828,888
Less accumulated depreciation for:				
Infrastructure	$ 0	$ 0	$ 0	$ 0
Buildings	335,309	8,820	0	344,129
Vehicles	197,213	46,876	0	244,089
Equipment	42,929	10,970	0	53,899
Total Accumulated Deprec.	$ 575,451	$ 66,666	$ 0	$ 642,117
Total Cap. Assets being depreciated, net	$ 1,196,199	$ (9,428)	$ 0	$ 1,186,771
Governmental activities capital assets, net	$ 1,322,205	$ (9,428)	$ 0	$ 1,312,777
Business-type Activities:				
Captial assets not being deprec.				
Land	$ 12,264	$ 0	$ 0	$ 12,264
Total Capital Assets not being depreciated	$ 12,264	$ 0	$ 0	$ 12,264
Capital assets being depreciated				
Utility Plant in Service	$12,427,184	$ 354,167	$ 0	$12,781,351
Equipment & Vehicles	80,915	0	0	80,915
Total capital assets being dep.	$12,508,099	$ 354,167	$ 0	$12,862,266
Less accumulated deprec. for:				
Utility Plant in Service	$ 2,186,302	$ 293,401	$ 0	$ 2,479,703
Equipment and Vehicles	75,187	5,728	0	80,915
Total Accumulated Depreciation	$ 2,261,489	$ 299,129	$ 0	$ 2,560,618
Total capital assets being deprec. net	$10,246,610	$ 55,038	$ 0	$10,301,648
Business-type activities assets, net	$10,258,874	$ 55,038	$ 0	$10,313,912

Summary of Significant Accounting Policies

L. Capital Assets (Continued)

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

Depreciation by Class:		Proprietary Fund:	
General Government			
General Government	$ 3,690	Equipment & Vehicles	$ 12,406
Public Safety	15,055	Plant	286,723
Health & Welfare	30,636		
Public Works	16,242		
Cultural and Recreation	1,043		
	$66,666		$299,129

Normal maintenance and repairs are charged to expense as incurred. Preliminary and interim costs incurred by governmental and proprietary funds for capital projects are reported as "construction in progress." Costs related to abandoned projects are expensed when the project is abandoned.

The County has recorded all infrastructure assets acquired subsequent to October 1, 2003 and is currently reviewing its infrastructure to ensure that all such assets are recorded before the phase-in date for retroactive general infrastructure reporting under Governmental Accounting Standards Board Statement.

Capital assets are depreciated over their estimated lives for both General Government and Proprietary fund using the straight-line method as follows:

Asset Class	Estimated Useful Lives
Furniture and Fixtures	5 to 7 Years
Machinery and Equipment	5 to 15 Years
Buildings	20 to 50 Years
Plant	15 to 40 Years
Infrastructure	50 Years

The county made an inventory of its governmental activities capital assets at September 30, 2003. Capital assets were adjusted for this inventory and for a change in its capital asset policy. Because of the above, governmental activities capital assets at December 31, 2003 will not agree with the previously released financial statements for December 31, 2003.

Long Term Debt

Phase 1 – Water Fund Construction – Proprietary Fund

The first phase of Marion County Water Fund Project was completed in 1994, in which Marion County received a $400,000.00 grant from the Department of Community Affairs.

Summary of Significant Accounting Policies

Long Term Debt (Continued)

The United States Department of Agriculture, Farmers' Home Administration, made grants of $1,453,400 during 1994 and 1995 toward Phase 1 of this project. A loan of $558,100 was made by Farmers' Home Administration to finance the construction of the first phase of the water works facility at 5% interest. This loan was financed by the issuance of Marion County Water System Revenue Bonds, Series 1994A, in the principle amount of $505,100 for the acquisition, construction, and installation of the County's water system and the issuance of $53,000 Series 1994B Marion County Water System Revenue Bonds for the purpose of financing the cost of acquisition, construction, and installation of additions to the water system. Balance as of December 31, 2009 is $406,553 and $42,588.

	(1)	(2)
Balance 1-1-09	$415,566	$43,540
Payments	9,013	952
Balance 12-31-09	$406,553	$42,588

Total annual payments are being made to the Farmers' Home Administration as follows:

(1) 1994A-Bonds	Principal	Interest	Total
2010	9,426	18,102	27,528
2011	9,859	17,669	27,528
2012	10,312	17,216	27,528
2013	10,785	16,743	27,528
2014	11,281	16,247	27,528
	51,663	85,977	137,640

Principal and interest on remaining years of debt:

1994A-Bonds	Principal	Interest	Total
2015	11,799	15,729	27,528
2016	12,341	15,187	27,528
2017	12,908	14,620	27,528
2018	13,501	14,027	27,528
2019	14,121	13,407	27,528
2020	14,770	12,758	27,528
2021	15,449	12,079	27,528
2022	16,158	11,370	27,528
2023	16,901	10,627	27,528
2024	17,677	9,851	27,528
2025	18,489	9,039	27,528
2026	19,339	8,189	27,528
2027	20,227	7,301	27,528

Summary of Significant Accounting Policies

Long Term Debt (Continued)
Principal and interest on remaining years of debt:

1994A-Bonds	Principal	Interest	Total
2028	21,156	6,372	27,528
2029	22,128	5,400	27,528
2030	23,145	4,383	27,528
2031	24,208	3,320	27,528
2032	25,320	2,208	27,528
2033	26,483	1,045	27,528
2034	8,770	80	8,850
	354,890	176,992	531,882

(2)

1994A-Bonds	Principal	Interest	Total
2010	996	1,896	2,892
2011	1,042	1,850	2,892
2012	1,090	1,802	2,892
2013	1,140	1,752	2,892
2014	1,192	1,700	2,892
	5,460	9,000	14,460

Principal and interest on remaining years of debt:

1994A-Bonds	Principal	Interest	Total
2015	1,247	1,645	2,892
2016	1,304	1,588	2,892
2017	1,364	1,528	2,892
2018	1,426	1,466	2,892
2019	1,492	1,400	2,892
2020	1,561	1,331	2,892
2021	1,632	1,260	2,892
2022	1,707	1,185	2,892
2023	1,786	1,106	2,892
2024	1,868	1,024	2,892
2025	1,954	938	2,892
2026	2,043	849	2,892
2027	2,137	755	2,892
2028	2,235	657	2,892
2029	2,338	554	2,892

Summary of Significant Accounting Policies

Long Term Debt (Continued)

Principal and interest on remaining years of debt:

1994A-Bonds	Principal	Interest	Total
2030	2,445	447	2,892
2031	2,558	334	2,892
2032	2,675	217	2,892
2033	2,798	94	2,892
2034	558	2	560
	37,128	18,380	55,508

Marion County Water System Sinking Fund

A special trust fund to be known as the "Marion County Water System Sinking Fund" is to be created within the water fund. Two accounts will be created in the sinking fund.

(1) A Debt Service Account to which deposits of $2,719.00 are to be made monthly to fund the principal and interest on the bonds coming due in the current sinking fund year on the Series 1994A and B bonds. As parity bonds are issued, this monthly payment will be increased to meet the principal and interest payments on the parity bonds.

(2) A Debt Service Reserve Account of funds of a minimum of ten (10%) percent of monthly installment of principal and interest on the bond must be deposited to the bond reserve fund. This reserve fund monthly deposits are to be made until the fund has accumulated an amount equal to that needed to pay the principal and interest on the bonds for the next succeeding year. This debt service reserve requirement means $32,620 (which consists of $29,520 (the maximum annual principal and interest payments) of the Series 1994A Bonds] and $3,108.00 (the maximum annual principal and interest payments of the Series 1994B Bonds) or from and after the date of issuance of any Parity Bonds, $32,628 plus the maximum annual principal and interest payment on each parity bond issued and outstanding. As of December 31, 2009, the Water Fund has cash funds of $32,620 deposited in the account.

Phase II -Water Fund Construction

On August 17, 1998, Marion County approved the issuance of Marion County Water System Revenue Bond, Series 1998, in the principal amount of up to $1,236,490 for the purpose of financing the cost of Phase II Construction cost of the County Water System. The bond issued will be payable from a first lien on the net revenue of the County's water system. The bonds were issued in January, 1999, with payments to begin in January of 2000. The first payment was interest only. These bonds were purchased through the United States Department of Agriculture and bear interest at the rate of 4.5%.

Summary of Significant Accounting Policies

Long Term Debt (Continued)

Phase II – Water Construction

These funds, with federal grants made available through the United States of America, acting through the Rural Development, United States Department of Agriculture for assistance provided through the Consolidated Farm and Rural Development Act (7 U.S.C. 192 et.seq.), as amended, will provide the needed funds for financing of the improvements. A grant of $3,574,470 was received during the construction of this phase of the water fund project from the United States Department of Agriculture, along with a grant from the Department of Community Affairs of $500,000. Phase II of the water fund project was completed in December of 1999.

A Debt Service Fund was created which requires funds to be credited to the sinking fund until $67,368.00- has been credited to the account to cover the principal and interest on the Parity Bonds for one year.

The first payment on the Bonds was made in January 2000, and was for interest only of $55,642.05. All payments thereafter will be made monthly of both principal and interest of $5,614.00.

A payment of $561.40 per month is being made to the Debt Service Reserve Account until the Debt Service Fund is fully funded. As of December 31, 2009, $67,368 has been deposited in the account.

The date of closing on the Bonds was January 14, 1999.

The balance as of December 31, 2009 is $1,090,105.

Balance 1-1-09	$1,107,989
Payments	17,884
Balance – 12-31-09	$1,090,105

Total annual payments to be made to Farmers' Home Administration are as follows:

1998 Bond	Principal	Interest	Total
2010	18,695	48,673	67,368
2011	19,554	47,814	67,368
2012	20,453	46,915	67,368
2013	21,392	45,976	67,368
2014	22,375	44,993	67,368
	102,469	234,371	336,840

Principal and interest on remaining years of debt:

1998 Bond	Principal	Interest	Total
2015	23,403	43,965	67,368

Summary of Significant Accounting Policies

Long Term Debt (Continued)

Phase II – Water Construction
Principal and interest on remaining years of debt:

1998 Bond	Principal	Interest	Total
2016	24,478	42,890	67,368
2017	25,602	41,766	67,368
2018	26,779	40,589	67,368
2019	28,009	39,359	67,368
2020	29,296	38,072	67,368
2021	30,641	36,727	67,368
2022	32,049	35,319	67,368
2023	33,521	33,847	67,368
2024	35,061	32,307	67,368
2025	36,672	30,696	67,368
2026	38,357	29,011	67,368
2027	40,119	27,249	67,368
2028	41,962	25,406	67,368
2029	43,890	23,478	67,368
2030	45,906	21,462	67,368
2031	48,015	19,353	67,368
2032	50,221	17,147	67,368
2033	52,528	14,840	67,368
2034	54,941	12,427	67,368
2035	57,465	9,903	67,368
2036	60,105	7,263	67,368
2037	62,866	4,502	67,368
2038	65,750	1,608	67,358
	987,636	629,186	1,616,822

Phase III – Water Fund Construction

On June 12, 2005, Marion County approved the issuance of Marion County Water System Revenue Bond, Series 2005, in the principal amount of up to $2,279,830 for the purpose of financing the cost of Phase III Construction cost of the County Water System. The bond issued will be payable from a first lien on the net revenue of the County's water system. These bonds were purchased through the United States Department of Agriculture and they bear interest at the rate of 4.25%.

These funds were made available through the United States of America, acting through the Rural Development, United States Department of Agriculture for assistance provided through the Consolidated Farm and Rural Development Act (7 U.S.C. 192 et.seq.), as amended, will provide the needed funds for financing of the improvements, a grant from the Department of Community Affairs of $500,000.00. As of December 31, 2006, $500,000 has been received.

Summary of Significant Accounting Policies
Long Term Debt (continued)

Phase III – Water Fund Construction

A Debt Service Fund was created as required which requires funds to be credited to the sinking fund until $118,740 has been credited to the account to cover the principal and interest on the Parity Bonds for one year. As of December 31, 2009, $48,520 has been deposited in the account.

A payment of $990 per month is being made to the Debt Service Reserve Account until the Debt Service Fund is fully funded.

The first payment on the Bonds was made in January 2006, and was for interest. All payments thereafter will be made monthly of both principal and interest of $9,895.

Interim financing in the amount of $2,051,847 for the Bonds was provided by Columbus Bank and Trust at 70% of prime rate. Interest was charged only on the amount drawn down to finance construction as it progresses. Interest of $29,324.69 was paid on this interim financing. The loan was closed on 12-22-05.

The balance as of December 31, 2009 is $2,184,744.

Balance 1-1-09	$2,210,041
Payments	25,297
Balance – 12-31-09	$2,184,744

Phase III - Water Construction
Total annual payments to be made to Farmer's Home Administration are as follows:
Payments will be as follows:

Year	Principal	Interest	Total
2010	26,398	92,342	118,740
2011	27,542	91,198	118,740
2012	28,736	90,004	118,740
2013	29,981	88,759	118,740
2014	31,280	87,460	118,740
	143,937	449,763	593,700

Principal and interest on remaining debt:

2005 Bond	Principal	Interest	Total
2015	32,636	86,104	118,740
2016	34,050	84,690	118,740
2017	35,526	83,214	118,740
2018	37,066	81,674	118,740
2019	38,672	80,068	118,740
2020	40,348	78,392	118,740
2021	42,097	76,643	118,740
2022	43,921	74,819	118,740
2023	45,824	72,916	118,740
2024	47,810	70,930	118,740
2025	49,882	68,858	118,740
2026	52,004	66,696	118,700
2027	54,300	64,440	118,740
2028	56,653	62,087	118,740
2029	59,108	59,632	118,740
2030	61,670	57,070	118,740
2031	64,342	54,398	118,740
2032	67,131	51,609	118,740
2033	70,040	48,700	118,740
2034	73,075	45,665	118,740
2035	76,242	42,498	118,740
2036	79,546	39,194	118,740
2037	82,994	35,746	118,740
2038	86,591	32,149	118,740
2039	90,343	28,397	118,740
2040	94,258	24,482	118,740
2041	98,343	20,397	118,740
2042	102,605	16,135	118,740
2043	107,052	11,688	118,740
2044	111,691	7,049	118,740
2045	96,765	2,185	98,950
2046	8,222	215	8,437
	2,040,807	1,628,740	3,669,547

Phase III - Water Construction

On May 17, 2005 (effective date 12-01-05), Marion County Commissioners signed a note with Jones General Contracting, Inc. in the amount of $579,091.77, 4.5% interest per annual. Monthly payments of $4,430.01 beginning 1-1-06 for a total of 180 payments. Purpose of the loan is to expand water works.

In the month of July 2009, with a balance of $194,133.30 on the note, an additional principal of $149,481.75 was added to the note to finance a water works project called Buffalo Road Extension. The new balance of $343,615.05, 4.5% interest per annun with monthly payments of $4,430.01 principal and interest for a period of 91 months.

Summary of Significant Accounting Policies
Long-Term Debt (Continued)

Phase III - Water Construction

Balance 1-1-09	$257,736
Payments	(79,428)
New Loan	149,480
Balance 12-31-09	$327,788

Payments will be as follows:

Year	Principal	Interest	Total
2010	39,212	13,948	53,160
2011	41,013	12,147	53,160
2012	42,897	10,263	53,160
2013	44,868	8,292	53,160
2014	46,929	6,231	53,160
	214,919	50,881	265,800

Principal and interest on remaining debt:

Year	Principal	Interest	Total
2015	49,085	4,075	53,160
2016	51,340	1,820	53,160
2016	12,445	91	12,536
	112,870	5,986	118,856

Debt service on County's debt:

2010	94,727
2011	99,010
2012	103,488
2013	108,166
2014	113,057
	518,448

Pension Plan

The County sponsors the Association County Commissioner's of Georgia Restated Pension Plan for Marion County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document.

The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document and is available upon request to 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

Summary of Significant Accounting Policies
Pension Plan (continued)

Funding Policy: The County is required to contribute an actuarially determined amount annually to the Plan's trust. The current rate is 8.1% of the annual covered payroll. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. Active members are not required to make contributions.

Annual Pension Cost: The County's annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

Derivation of Net Pension Obligation:

	2009	2008
Net Pension Obligation as of Beginning of Prior Year	$(33,727)	$(28,158)
Annual Pension Cost for Prior Year	35,763	36,988
Actual Contributions to Plan for Prior Year	39,426	42,557
Increase in Net Pension Obligation	$ (3,663)	$ (5,569)
Net Pension Obligation as of Beginning of the Year	$(37,390)	$ (33,727)

Derivation of Annual Pension Cost:

Annual Required Contribution	$40,090	$35,614
Interest on Net Pension Obligation	(2,898)	(2,698)
Amortization of Net Pension Obligation	3,101	2,847
Annual Pension Cost	$40,293	$ 35,763

Basis of Valuation

Current Valuation Date	January 1, 2009
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.0-6.5% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	10 years

Summary of Significant Accounting Policies

Pension Plan (continued)

Trend Information for the Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual Pension of APC Contribution	Percentage Contributed	Net Pension Obligation
January 1, 2009	$40,293	N/A	N/A	(37,390)
January 1, 2008	35,763	39,426	110%	(33,727)
January 1, 2007	36,988	42,557	115%	(28,158)
January 1, 2006	31,631	38,227	121%	(21,562)
January 1, 2005	29,796	37,599	126%	(13,759)
January 1, 2004	29,859	38,511	129%	(5,107)
January 1, 2003	29,206	34,313	117%	0

Schedule of Funding Progress

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	c	{(b-a)/c}
12-31-09	$440,869	$707,478	$266,609	62.3%	$449,032	59.4%
12-31-08	$394,076	$631,717	$237,641	62.4%	$439,115	54.1%
12-31-07	$372,420	$612,144	$239,724	60.8%	$498,495	48.1%
12-31-06	$322,413	$554,835	$232,422	58.1%	$333,503	69.7%
12-31-05	$272,091	$525,579	$253,488	51.8%	$302,142	83.9%
12-31-04	$232,388	$502,649	$270,261	46.2%	$393,868	68.6%
12-31-03	$204,300	$472,072	$267,772	43.3%	$389,934	68.7%
12-31-02	$155,347	$410,837	$255,490	37.8%	$394,646	64.7%

The assets and liabilities shown above reflect expected amounts as of the last day of the plan year. These amounts may vary from those used in determining the required contribution, since those calculations use actual amounts as of the first day of the next plan year.

1. Actuarial Present Value of Accumulated Plan Benefits	2009
a. Vested	
i. Retirees (and others in pay status)	$182,667
ii. Deferred Vested (former employees)	174,329
iii. Vested Active Participants	273,384
Total	$630,380

Summary of Significant Accounting Policies

Pension Plan (continued)	
b. Nonvested	$ 34,311
Total	$664,691
2. Effect of Future Salary Increases	42,787
3. Total Actuarial Accrued Liability	707,478
4. Net Assets Available for Benefits (including receivables)	421,320
5. Net Assets in Excess of Actuarial Present Value of	$(243,371)
6. Principal Actuarial Assumptions	
a. Investment Return	7.75%
b. Rate of Future Salary Increases (not applicable to Accumulated Plan Benefits calculations)	4.00-6.5% based on age

Intergovernmental Government

The Secretary of State's grant of $4,000 for voter education was given to the county for education of voters to the new voting machines. Marion County was one of the first counties to use the new computers in elections. Of these funds $302 remains to be used.

Litigation

Marion County is a defendant in some lawsuits and the outcome of those suits, in the opinion of the county's attorney, will not have an adverse effect on the financial condition of the county.

Contingent Liabilities

(A) Risk Management

The County is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains commercial insurance coverage insuring each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the County. Marion County carries its liability insurance with the Baldwin Agency with policy issued by National Union Fire Insurance Company of Pittsburgh, Pennsylvania.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, Marion County became a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The effective date of membership was December 1, 1982.

The County of Marion carries its workman Compensation Insurance with the Workman Comprehensive Self Insurance Fund.

Summary of Significant Accounting Policies

The County of Marion has the following responsibilities:

To pay all contributions, assessments or other sums due to WCSIS at such times and in such amounts as shall be established by WCSIS.

To select a person to serve as a Member representative.

To allow WCSIS and its agent's reasonable access to all facilities of the County and all records, including but not limited to financial records, which relate to the purposes of WCSIS.

To allow attorneys appointed by WCSIS to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the Fund or Funds established by WCSIS.

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

To furnish full cooperation to WCSIS's attorneys claims adjusters, Service Company, and any agent, employee, officer or independent contractor of WCSIS relating to the purposes of WCSIS.

To furnish to WCSIS such budget, operating and underwriting information as may be requested.

To report as promptly as possible, and in accordance with any coverage description issued, all incidents which could result in WCSIS or any Fund established by WCSIS being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope to the protection of a Fund or Funds in which the County participates.

The Fund is to defend, in the name of and on half of the members, any suites or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Worker's 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. Marion County must pay all contributions, assessments, and other sums due and in such amounts as shall be established by the Georgia Municipal Association Worker's Compensation Self Insurance Fund.

Summary of Significant Accounting Policies

Contingent Liabilities (continued)

Settled claims in the past three years have not exceeded the coverage.

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

(B) Marion County Landfill

The use of the Marion County Landfill was discontinued June 28, 1991, and is no longer in operation. The Marion County Board of Commissioners determined at that time the future cost of monitoring, maintaining and closing the landfill to meet the new regulations imposed by the State and Federal agencies would not be cost-efficient to the citizens of Marion County.

Marion County now contracts with Southern States Environmental Service to dispose of solid wastes.

Marion County is in the Post Closure Care Phase. Since Marion County ceased to accept waste before October 8, 1993, a five-year post closure care was authorized by the Georgia Department of Natural Resources. The Director of the Division has the authority to extend the post-closure period when necessary. On March 12, 2008, the Director extended the post-closure period. During 2009, $9,375 was expended to monitor the groundwater. Additional expense of $22,620 was incurred.

(C) Component Unit – Marion County Hospital Authority

In prior years, the Authority received Hill-Burton funds to be applied toward the construction and additions to the Hospital. These agreements state that, if at any time within twenty years after completion of the construction of the facilities, the facilities are sold or transferred to any person, agency, or organization, which is not qualified to file an application under the Hospital Survey and Construction Act, or is not approved as a transferor by the Georgia Board of Health, or has ceased to be a nonprofit Hospital, the United States shall be entitled to recover from either the transferor (or, in case the Authority ceases to be a nonprofit organization, from the owner thereof) the contributed percentage of the then value the Authority as determined by agreement of the parties or by action brought in the District Court of the United States for the District in which the Authority is located.

However, under the lease agreement with the Marion Community Hospital, Inc., expenses incurred by the Authority because of the lease contract are to be paid by the Marion Community Hospital, Inc.

Summary of Significant Accounting Policies

Contingent Liabilities (continued)

(D) Jointly Venture

The Georgia Department of Audits has determined that the River Valley Regional Commission is a joint venture under Georgia Law, O.C.G.A. 20-5-40.

Marion County participates in the support of the River Valley Regional Commission. Marion County contributed $6,078 to the River Valley Regional Commission operating budget in 2009. Membership in an RVRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RVRC in Georgia. Marion County has one commissioner and an appointed citizen of the County to represent Marion County on the board of River Valley Regional Commission who assist the counties and governments in grants and loan applications to support government capital improvements and operating projects within the counties and cities. The RVRC membership included the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RVRC.

The major source of the Development Corporation operational costs is financed through administration charges for grants and loan applications.

Complete financial statements for the River Valley Regional Commission may be obtained from the River Valley Regional Commission, 228 W. Lamar St. Americus, Georgia, 31709.

Grants:

On September 7, 2007 Marion County received a community development Block Grant (CDBG), in the amount of $493,327, for water and sewer improvements. As of December 31, 2009 the county had drawn down $451,867 and spent $448,987.

HERBERT E. ALLEN

CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 6936

131 THOMAS DRIVE

AMERICUS, GEORGIA 31709

OFFICE: 229-928-4008

FAX: 229-924-1532

heallencpa@bellsouth.net

Member of the American Institute of Certified Public Accountants

Member of the Georgia Society of Certified Public Accountants

June 17, 2010

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

Marion County Board of Commissioners
Marion County, Georgia
Buena Vista, Georgia

We have audited the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of and for the year ended December 31, 2009, and have issued our report thereon dated June 17, 2010. We did not audit the financial statements of the Marion County Department of Public Health which was audited by other auditors whose report has been furnished to us and our opinion as it relates to those amounts is based solely on the reports of other auditors. Except as discussed in the preceding sentences, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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 affects the Marion 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 Marion County, Georgia's financial statements that is more than inconsequential will not be prevented or detected by the Marion County, Georgia's internal control.

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 Marion County, Georgia's internal control.

Our consideration of 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

HERBERT E. ALLEN, CPA

Herbert E. Allen, CPA

SUPPLEMENTAL INFORMATION

MARION COUNTY, GEORGIA
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
December 31, 2009

	County Drug Education	County Jail Const. & Staffing	Total Funds
Assets			
Cash - Restricted	$ 7,757	$ 12,630	$20,387
Loans & Notes Rec.	-	-	-
Investments -			-
Land at Cost	-	-	-
Total Assets	$ 7,757	$ 12,630	$20,387
Liabilities & Fund Equity			
Liabilities			
Loan Payable	$ -	$ -	$ -
Total Liabilities	$ -	$ -	$ -
Fund Equity			
Reserve for Co. Drug & Educ.	$ 7,757	$ 12,630	$20,387
Reserve for Jail Const.& Staffing	-	-	-
Total Fund Equity	$ 7,757	$ 12,630	$20,387
Total Liabilities and Fund Equity	$ 7,757	$ 12,630	$20,387

MARION COUNTY, GEORGIA
OTHER GOVERNMENTAL FUNDS - COMBINING SCHEDULE OF
REVENUE AND EXPENDITURES AND CHANGES TO FUND BALANCE
December 31, 2009

	County Drug Education	County Jail Const.	Total Funds
Revenue:			
Intergovernmental	$ 2,992	$ 11,371	$ 14,363
Fines & Forfeitures	-	-	-
Interest	19	57	76
Total Revenue	$ 3,011	$ 11,428	$ 14,439
Expenditures:			
Judicial	$ 1,520	$ 24,641	$ 26,161
Total Expenditures	$ 1,520	$ 24,641	$ 26,161
Excess (Deficit) of Revenue Over Expenditures	$ 1,491	$ (13,213)	$(11,722)
Fund Balance Beginning of Year	6,266	25,843	32,109
Fund Balance End of Year	$ 7,757	$ 12,630	$ 20,387

MARION COUNTY, GEORGIA
BALANCE SHEET - CAPITAL PROJECTS FUND
December 31, 2009

	Special 1% Sales Tax for Water & Sewer 4/1/2004	Special 1% Sales Tax for Road, Water & Emergency Medical 4/1/2009
Assets		
Cash - Restricted	$ 211,241	$ 165,750
Receiable- General Fund	-	-
Total Assets	$ 211,241	$ 165,750
Liabilities & Fund Equity		
Loan Payable	$ -	$ -
Total Liabilities	$ -	$ -
Fund Equity		
Reserve for Road & Bridge Maintenance	$ 211,241	$ 165,750
Total Fund Equity	$ 211,241	$ 165,750
Total Liabilities and Fund Equity	$ 211,241	$ 165,750

The notes to the financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
CAPITAL PROJECTS FUND - COMBINING SCHEDULE OF
REVENUE AND EXPENDITURES AND CHANGES TO FUND BALANCE
December 31, 2009

	Special 1% Sales Tax for Water & Sewer 4/1/2004	Special 1% Sales Tax for Road, Water & Emergency Medical 4/1/2009
Revenue:		
Taxes	$ 189,181	$ 291,853
Intergovernmental	48,666	-
Interest	1,668	-
To the City of Bunena Vista, GA	(28,274)	(126,103)
Total Revenue	$ 211,241	$ 165,750
Expenditures		
Public Works	$ 121,666	$ -
Capital Outlay	18,307	-
Marion County Water Department	52,510	-
Total Expenditures	$ 192,483	$ -
Excess (Deficit) of Revenues Over Expenditures	$ 18,758	$ 165,750
Fund Balance Beginning of Year	$ 263,162	$ -
Fund Balance End of Year	$ 281,920	$ 165,750

The notes to the financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
December 31, 2009

ASSETS	Tax Commissioner	Clerk of Superior Court	Sheriff	Probate Court	Total
Cash	$ 131,089	$ 8,206	$ 6,010	$ 3,858	$ 149,163
Total Assets	$ 131,089	$ 8,206	$ 6,010	$ 3,858	$ 149,163
LIABILITIES					
Accounts Payable	$ 131,089	$ 8,206	$ 6,010	$ 3,858	$ 149,163
Accounts Payable & Fund Equity	$ 131,089	$ 8,206	$ 6,010	$ 3,858	$ 149,163

The notes to the financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
December 31, 2009

	Balance 01/01/09	Additions	Deductions	Eliminations	Balance 12/31/09
Assets:					
Cash	$ 231,173	$ 5,883,752	$ 5,947,068	$ 18,694	$ 149,163
Liabilities:					
Due to General Fund	$ 231,173	$ 4,142,342	$ 4,224,352	$ -	$ 149,163
Due to Others	-	1,741,410	1,722,716	18,694	0
	$ 231,173	$ 5,883,752	$ 5,947,068	$ 18,694	$ 149,163

The notes to the financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
December 31, 2009

	Balance 01/01/09	Additions	Deductions	Eliminations	Balance 12/31/09
Sheriff					
Assets:					
Cash - Courthouse Account	$ 2,350	$ 57,391	$ 52,499	$9,063	$ (1,821)
Special Account	17,994	11,561	21,724	0	7,831
Total Assets	$ 20,344	$ 68,952	$ 74,223	$ 9,063	$ 6,010
Liabilities:					
Accounts Payable	$ 20,344	$ 45,036	$ 59,370	$ -	$ 6,010
Due to General Fund	0	23,916	14,853	9,063	0
Total Liabilities	$ 20,344	$ 68,952	$ 74,223	$ 9,063	$ 6,010
Magistrate Court					
Probate Judge					
Assets:					
Cash	$ 2,380	$ 242,502	$ 233,410	$ 7,614	$ 3,858
Total Assets	$ 2,380	$ 242,502	$ 233,410	$ 7,614	$ 3,858
Liabilities:					
Accounts Payable	$ 2,380	$ 124,516	$ 123,038	$ -	$ 3,858
Due to general fund	0	117,986	110,372	7,614	0
Total Liabilities	$ 2,380	$ 242,502	$ 233,410	$ 7,614	$ 3,858

The notes to the financial statements are an integral part of this statement.

MARION COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
December 31, 2009

	Balance 01/01/09	Additions	Deductions	Eliminations	Balance 12/31/09
Tax Commissioner					
Assets:					
Cash	$ 204,627	$5,371,757	$ 5,445,295	$ -	131,089
Total Assets	$ 204,627	$5,371,757	$ 5,445,295	$ -	$ 131,089
Liabilities:					
Due to others	$ 204,627	$3,854,646	$ 3,928,184	$ -	$ 131,089
Due to General Fund	-	1,517,111	1,517,111	-	-
Total Liabilities	$ 204,627	$5,371,757	$ 5,445,295	$ -	$ 131,089
Clerk of Superior Court					
Assets:					
Trust Funds	$ 1,685	$ 67	$ 13,427	$ -	$ (11,675)
Cash - Superior Court	2,137	200,474	180,713	2,017	$ 19,881
Total Assets	$ 3,822	$ 200,541	$ 194,140	$ 2,017	$ 8,206
Liabilities:					
Accounts Payable	$ 3,822	$ 118,144	$ 113,760	$ -	$ 8,206
Due to General Fund	-	82,397	80,380	2,017	-
Total Liabilities	$ 3,822	$ 200,541	$ 194,140	$ 2,017	$ 8,206

The notes to the financial statements are an integral part of this statement.

HERBERT E. ALLEN

CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 6936

131 THOMAS DRIVE

AMERICUS, GEORGIA 31709

OFFICE: 229-928-4008

FAX: 229-924-1532

heallencpa@bellsouth.net

Member of the American Institute of Certified Public Accountants

Member of the Georgia Society of Certified Public Accountants

June 17, 2010

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for Marion County, Georgia for the year ended December 31, 2009. This schedule is the responsibility of Marion County, Georgia's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on our audit.

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 Schedule of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated 48-8-121 on the modified accrual basis of accounting and is not intended to be a complete presentation of Marion County, Georgia's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in Marion County, Georgia's resolution or ordinance calling for the tax for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

HERBERT E. ALLEN, CPA

Herbert E. Allen, CPA

MARION COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2009

PROJECT	ESTIMATED COST		EXPENDITURES			ESTIMATED % OF COMPLETION
	ORIGINAL	CURRENT	PRIOR YEARS	CURRENT YEAR	TOTAL	
4/1/2004						
Roads, Streets & Bridges	1,950,000	1,950,000	1,053,032	121,666	1,174,698	60.20%
Water & Sewer	650,000	650,000	303,455	0	303,455	46.69%
City-Buena Vista	1,400,000	1,400,000	711,531	154,377	865,908	61.85%
TOTAL	4,000,000	4,000,000	2,068,018	276,043	2,344,061	58.60%

PROJECT	ESTIMATED COST		EXPENDITURES			ESTIMATED % OF COMPLETION
	ORIGINAL	CURRENT	PRIOR YEARS	CURRENT YEAR	TOTAL	
4/1/2009						
Roads, Streets & Bridges Water & Sewer & Emergency Medical Services	5,200,000	5,200,000	0	0	0	0.00%
City-Buena Vista	2,800,000	2,800,000	0	126,103	126,103	4.50%
TOTAL	8,000,000	8,000,000	0	126,103	126,103	4.50%

Marion County, Georgia
Comparative Balance Sheet
CDBG 07p-y-098-1-3355
Capital Projects Fund
Water Improvements
December 31, 2009

	12/31/09	12/31/08
ASSETS		
Cash in Banks	$ 2,880	$ 3,661
Deferred Expenses	5,571	5,842
TOTAL ASSETS	$ 8,451	$ 9,503
LIABILITIES AND FUND BALANCE		
Liabilities		
Deferred revenue	0	0
TOTAL LIABILITIES	$ -	$ -
FUND BALANCE		
Fund Balance	$ 8,451	$ 9,503
TOTAL LIABILITIES AND FUND BALANCE	$ 8,451	$ 9,503

All receipts and disbursements were made through the Proprietary Fund.

Marion County, Georgia
Statement of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
CDBG 07p-y-098-1-3355
Capital Projects Fund
Water Improvements
December 31, 2009

	Project Length Budget	Actual	Variance
REVENUES			
Intergovernmental Revenue	$ 493,327	$ 141,500	$ 351,827
TOTAL REVENUES	$ 493,327	$ 141,500	$ 351,827
EXPENDITURES			
Water Facilities			
P-03J-01	$ 383,301	$ 136,423	$ 246,878
Engineering-Water/Sewer Improvements			
T-03J-01	41,596	4,037	37,559
Contingencies			
C-022-00	38,830	0	38,830
Administration			
A-21A-00	29,600	2,092	27,508
TOTAL EXPENDITURES	$ 493,327	$ 142,552	$ 350,775
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ -	$ (1,052)	$ 1,052
FUND BALANCE - BEGINNING		9,503	
FUND BALANCE - ENDING		$8,451	

All receipts and disbursements were made through the Proprietary Fund.

Marion County, Georgia
Source and Application of Funds Schedule
CDBG 07p-y-098-1-3355
December 31, 2009

Total Program Year 2008 Funds Allocated to Recipient		$ 493,327
Less: Total Program Year 2008 Funds Drawn by Recipient	FYE 12-01-07	8,000
	FYE 12-01-08	302,367
	FYE 12-01-09	141,500
Funds Still Available from Program Year 2008 Resources		$ 41,460
Total Program Year 2008 Funds Drawn and Received by Recipient		$ 451,867
Less: Funds Applied and Expended to Program Year Cost	FYE 12-31-07	0
	FYE 12-31-08	300,864
	FYE 12-31-09	142,552
Total Program Year 2008 Funds Held by Recipient		$ 8,451

All receipts and disbursements were made through the Proprietary Fund.

Marion County, Georgia
Schedule of Projects Constructed
CDBG 07p-y-098-1-3355
December 31, 2009

Program Activity	Latest Approved Budget CDBG Funds	Accumulated Expenditures To Date CDBG Funds	Accumulated Expenditures To Date Other Funds	Grand Total Expenditures To Date	Questioned Costs
Water Facilities P-03J-01	$ 383,301	$370,194	$ -	$ 370,194	None
Engineering- Water/Sewer Improvements H-004-00	41,596	47,915	0	47,915	None
Contingencies C-022-00	38,830	0	0	0	None
Administration A-21A-00	29,600	25,487	0	25,487	None
Totals	$ 493,327	$443,596	$ -	$ 443,596	

All receipts and disbursements were made through the Proprietary Fund.